Exhibit Book
Finance Committee Meeting
1/21/2021

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BUDGETWATCH
January 2021 Flash Report
Special 2020 Year-End Flash Report

Overall

The January Budgetwatch provides a high-level preliminary look at 2020 results compared with the November Forecast. Overall, results are favorable compared with the Forecast, although about a quarter of the expense savings ($259 million) was achieved through Additional Savings Actions that were included in Volume 1 of the November Plan and not incorporated into Agency baseline forecasts. Revenues were favorable by $376 million (10%), reflecting favorable variances of $160 million (7%) in passenger revenue and $216 million (15%) in toll revenue, MTA total operating expenses were favorable by $982 million (7%); when adjusted for the Additional Savings Actions, operating expenses were favorable by $723 million (5%). Overtime spending was $80 million (8%) lower than forecast primarily from curtailed programmatic/routine maintenance work, revised service schedules, and tightened management controls. Debt service was favorable due to lower than budgeted variable rates and timing. Subsidies were $355 million favorable and reflect mainly higher collections in MMTOA, Payroll Mobility Tax, Mortgage Recording Tax, NYC Urban Tax and Petroleum Business Tax, and partially offset by lower, MTA Aid receipts and the For-Hire Vehicle Surcharge. The Mansion and Internet Sales Taxes, which fund the Capital Lockbox and are available through 2021 to assist in funding operations, were favorable by $12 million.

Passenger and Toll Revenues

YTD December 2020 ($ in millions)				
	Preliminary Actual	November Forecast	Diff	% Diff
NYCT:				
Subway	$1,513.9	$1,434.1	$79.8	5.6%
Bus	381.1	296.0	85.1	28.8%
Other	46.6	46.6	0.0	0.0%
NYCT	$1,941.6	$1,776.7	$164.9	9.3%
MTA Bus	93.8	73.2	20.6	28.1%
LIRR	272.4	278.4	(6.1)	-2.2%
MNR	243.4	262.8	(19.4)	-7.4%
Sub-total	**$2,551.2**	**$2,391.1**	**$160.1**	**6.7%**
B&T	1,635.0	1,419.3	215.7	15.2%
Total	**$4,186.2**	**$3,810.4**	**$375.8**	**9.9%**

Preliminary 2020 **passenger revenues** were $160.1 million, or 6.7% favorable. At NYCT, both Subway and Bus revenue exceeded the forecast, largely reflecting favorable ridership. MTA Bus ridership also exceeded the forecast resulting in favorable farebox revenue of $20.6 million. Unfavorable revenue at MNR and the LIRR was primarily due to lower ridership, and reflects the ongoing impacts of the Pandemic. Preliminary t**oll revenue** in 2020 was favorable by $215.7 million, or 15.2%, primarily due higher traffic volume.

CARES Act Receipts

The full complement of $4.009 billion in aid from the Coronavirus Aid, Relief, and Economic Security (CARES) Act has been received and distributed to Agencies based on net operating losses reported through July. Receipts are reflected in Other Operating Revenue in Agency financial statements.

Total Operating Expenses before Non-Cash Liability Adjustments

YTD December 2020 ($ in millions)				
	Preliminary Actual	November Forecast	Diff	% Diff
NYCT	$8,587.0	$8,999.1	$412.0	4.6%
MTA Bus	747.9	887.5	139.6	15.7%
LIRR	1,469.0	1,564.8	95.8	6.1%
MNR	1,261.7	1,339.2	77.6	5.8%
B&T	439.6	509.8	70.2	13.8%
MTA HQ	754.0	940.9	186.8	19.9%
Total	**$13,259.2**	**$14,241.3**	**$982.1**	**6.9%**

Preliminary expenses for December YTD were favorable by $982.1 million, or 6.9%, and primarily reflects savings from revisions made to initiatives requiring professional services, planned maintenance work and related materials, and other timing-related changes, across the agencies, due mainly to the pandemic. Additional contributing factors include vacancy savings, the timing of prescription drug contract rebates, and lower energy costs. Approximately a quarter of the expense savings ($259 million) was achieved through Additional Savings Actions that were included in Volume 1 of the November Plan and not incorporated into Agency baseline forecasts. The variance at NYCT primarily reflects higher prescription drug contract rebates, lower medical utilization and vacancy savings, as well as revised maintenance assumptions and subway initiatives, lower credit/debit card fees, and lower paratransit costs and energy consumption. At MTA HQ, the variance largely reflects overall suppressed spending and revised timing assumptions for a myriad of initiatives, including Transformation, Enterprise Asset Management, and IT. The variance at MTA Bus reflects revised assumptions for maintenance work and other timing-related changes, including interagency billing and roll-out of bus technologies and New Fare System (OMNY), and an actuarial adjustment to their claims liability. The LIRR variance reflects higher vacancy and overtime savings, revisions to fleet modification plans and Reliability Centered Maintenance activity, and a higher credit in reimbursable overhead from the favorable timing of capital project activity. At MNR, the variance primarily reflects lower rolling stock maintenance work and related material usage and infrastructure repairs, as well as lower costs for procured services, vacancy savings, and overtime. The B&T variance mainly reflects revised major maintenance projects, lower toll collection processing and bond issuance fees, lower overtime costs, and vacancy savings.

Overtime

YTD December 2020 ($ in millions)				
	Preliminary Actual	November Forecast	Diff	% Diff
NYCT	$591.2	$620.4	$29.2	4.7%
MTA Bus	80.3	84.8	4.5	5.3%
LIRR	123.2	137.3	14.1	10.3%
MNR	80.7	93.3	12.6	13.5%
B&T	14.5	26.5	12.0	45.2%
MTA HQ	26.3	33.7	7.4	21.9%
Total	**$916.3**	**$996.0**	**$79.7**	**8.0%**

YTD Overtime expenses were $79.7 million, or 8.0%, lower than the forecast. This reflects savings mainly from revised scheduled/unscheduled service needs, lower programmatic/routine maintenance, lower weather-related events, and tightened management controls. At NYCT, underruns were due to tightened management controls, reduced service requirements, basic maintenance, inspections, and revised subway initiatives requirements due to pandemic-related priorities. Overtime costs were below forecast at the LIRR due to tightened management procedures, lower right-of-way maintenance, more efficient COVID-19 cleaning, weather-related events and lower scheduled and unscheduled service. Lower costs at MNR were due to operating on a reduced service schedule, weather-related events and staggered shift coverage. At B&T, lower costs reflect deferred maintenance and management efficiencies, which improved scheduling and deployment practices; At MTA HQ, savings mainly reflect lower utilization of MTAPD overtime deployments for security coverage. Underruns at MTA Bus reflect reduced unscheduled service due to less traffic, and lower weather-related events.

Debt Service

Debt Service expense for 2020 was $2,703.0 million, which were $31.3 million or 1.1% favorable due to lower than budgeted variable rates and timing related to the non-recording of a RAN debt service payment.

State Dedicated Taxes and Fees

YTD December 2020 ($ in millions)				
	Actual	**November Forecast**	**Diff**	**% Diff**
MMTOA	$1,564.0	$1,415.6	$148.4	10.5%
PBT	565.1	504.6	60.5	12.0%
PMT [1]	1,560.8	1,469.4	91.4	6.2%
MTA Aid [2]	248.8	260.9	(12.0)	-4.6%
FHV [3]	222.1	232.8	(10.7)	-4.6%
Total	**$4,160.9**	**$3,883.2**	**$277.7**	**7.2%**

For 2020, MMTOA receipts were favorable by $148.4 million, Payroll Mobility Tax (PMT) collections were favorable by $91.4 million, and Petroleum Business Tax (PBT) receipts were favorable by $60.5 million. MTA Aid receipts were $12.0 million unfavorable and FHV surcharge was $10.7 million unfavorable.

Real Estate Transaction Taxes

YTD December 2020 ($ in millions)				
	Actual	**November Forecast**	**Diff**	**% Diff**
MRT	$462.7	$401.5	$61.2	15.2%
NYC Urban	377.0	361.0	16.1	4.5%
Total	**$839.8**	**$762.5**	**$77.3**	**10.1%**

For the year, real estate transaction taxes were $77.3 million (10.1%) favorable.

Regional Mortgage Recording Tax[4] receipts for 2020 were $61.2 million (15.2%) favorable; MRT-1 was favorable by $34.0 million (12.4%), and MRT-2 receipts were favorable by $27.2 million (21.3%).

New York City Urban Tax[5] receipts were $16.1 million (4.5%) favorable. The Real Property Transfer Tax (RPTT) component was $9.0 million (4.3%) favorable, while receipts from the Mortgage Recording Tax (MRT) component were $7.0 million (4.6%) favorable.

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[1] PMT replacement funds are excluded from the results reported in this table.

[2] MTA Aid includes the License Fee, Vehicle Registration Fee, Taxi Fee and Automobile Rental Fee.

[3] For-Hire Vehicle Surcharge.

[4] Mortgage Recording Taxes consist of two separate taxes on mortgages recorded in the twelve-county region: MRT-1 is a tax on all mortgages, while MRT-2 is also imposed on residential real estate structures containing up to six dwelling units.

[5] New York City Urban Taxes are imposed on commercial property and apartment building transactions within New York City. The MRT component is imposed on mortgages exceeding $500,000, and the Real Property Transfer Tax component is imposed on transfers exceeding $500,000.

Capital Lockbox Funding Sources

	YTD December 2020 ($ in millions)			
	Actual	November Forecast	Diff	% Diff
Mansion Tax [6]	$176.5	$180.0	($3.6)	-2.0%
Internet Sales Tax [7]	260.0	244.3	15.7	6.4%
Total	**$436.5**	**$424.3**	**$12.1**	**2.9%**

For 2020, combined Capital Lockbox revenues were $12.1 million favorable; Internet Sales Tax receipts were $15.7 million favorable and Mansion Tax receipts were $3.6 million unfavorable.

The 2020-2021 New York State Enacted Budget amended Public Authorities Law 553-j, to allow the MTA to use monies in the Capital Lockbox funds in 2020 and 2021 to offset decreases in revenue or increases in operating costs due "in whole or in part" to the State emergency disaster caused by COVID-19. The MTA is required to repay to the lockbox any amount used for operating purposes if sufficient funds are received from the federal government or from insurance due to COVID-19, but only after first re-paying any COVID-19 related public or private borrowings, draws on lines of credit, issuances of revenue anticipation notes, internal loans or OPEB Trust.

[6] The Real Property Transfer Tax Surcharge (the "Mansion Tax") is an increase in the transfer tax on the sale of residential properties valued at $25 million or more in New York City.

[7] Internet Marketplace Sales Tax receipts are captured through the elimination of the tax loophole that previously exempted third-party internet marketplace providers from collecting and remitting New York sales taxes on transactions conducted on their sites.

Real Estate Transaction Taxes Receipts ($ in millions)

November Forecast vs. Actual Receipts

2020 November Forecast	2020	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	YTD Dec
MRT-1	$273.7	$36.5	$33.7	$26.5	$25.8	$16.6	$17.6	$24.5	$25.5	$21.7	$15.2	$15.2	$15.2	$273.7
MRT-2	127.8	12.7	13.3	12.1	12.2	9.5	9.6	13.0	13.2	13.2	6.4	6.4	6.4	127.8
Total MRT	$401.5	$49.2	$47.0	$38.6	$37.9	$26.1	$27.2	$37.4	$38.6	$34.9	$21.5	$21.5	$21.5	$401.5
RPTT	$209.3	$36.3	$32.1	$22.2	$35.8	$6.6	$4.0	$13.6	$12.5	$6.4	$13.2	$13.2	$13.2	$209.3
MRT	151.7	24.2	26.2	14.6	15.3	6.9	7.3	12.9	12.4	7.2	8.2	8.2	8.2	151.7
Total Urban Tax - *NYCT 90% share*	$361.0	$60.5	$58.3	$36.9	$51.1	$13.5	$11.3	$26.5	$24.8	$13.7	$21.5	$21.5	$21.5	$361.0
Total Real Estate Taxes	$762.5	$109.7	$105.2	$75.5	$89.0	$39.6	$38.5	$63.9	$63.4	$48.5	$43.0	$43.0	$43.0	$762.5

2020 Monthly Actuals	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	YTD Dec
MRT-1	$36.5	$33.7	$26.5	$25.8	$16.6	$17.6	$24.5	$25.5	$21.8	$22.9	$29.1	$27.3	$307.7
MRT-2	12.7	13.3	12.1	12.2	9.5	9.6	13.0	13.2	13.1	13.5	16.2	16.7	155.0
Total MRT	$49.2	$47.0	$38.6	$37.9	$26.1	$27.2	$37.4	$38.6	$35.0	$36.4	$45.3	$44.0	$462.7
RPTT	$36.3	$32.1	$22.2	$35.8	$6.6	$4.0	$13.6	$12.5	$6.4	$14.5	$16.9	$17.3	$218.3
MRT	24.2	26.2	14.6	15.3	6.9	7.3	12.9	12.4	7.2	7.4	13.7	10.6	158.7
Total Urban Tax - *NYCT 90% share*	$60.5	$58.3	$36.9	$51.1	$13.5	$11.3	$26.5	$24.8	$13.7	$22.0	$30.6	$27.9	$377.0
Total Real Estate Taxes	$109.7	$105.2	$75.5	$89.0	$39.6	$38.5	$63.9	$63.4	$48.6	$58.3	$75.9	$72.0	$839.8

Variances	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	YTD Dec
MRT-1	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.2	$7.7	$14.0	$12.2	$34.0
MRT-2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	7.1	9.8	10.4	27.2
Total MRT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.1	$14.8	$23.8	$22.5	$61.2
RPTT	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$1.3	$3.6	$4.1	$9.0
MRT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.8)	5.5	2.3	7.0
Total Urban Tax - *NYCT 90% share*	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.5	$9.1	$6.4	$16.1
Total Real Estate Taxes	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.1	$15.3	$32.9	$29.0	$77.3
MRT-1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	51.1%	92.1%	80.2%	12.4%
MRT-2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.6%	111.3%	154.0%	162.3%	21.3%
Total MRT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	68.9%	110.4%	104.5%	15.2%
RPTT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.9%	27.4%	31.0%	4.3%
MRT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-9.7%	67.0%	28.3%	4.6%
Total Urban Tax - *NYCT 90% share*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	42.6%	30.0%	4.5%
Total Real Estate Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	35.7%	76.5%	67.3%	10.1%

Real Estate Transaction Taxes Receipts ($ in millions)
2020 Receipts vs. 2019 Receipts

2019 Monthly Actuals	2019 Act	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	YTD Dec
MRT-1	$328.3	$32.8	$31.5	$19.2	$20.7	$26.8	$22.8	$34.7	$28.8	$28.0	$29.3	$30.1	$23.8	$328.3
MRT-2	133.4	10.6	10.6	8.5	9.0	10.1	10.1	11.0	13.3	14.0	12.1	13.0	11.1	133.4
Total MRT	$461.7	$43.4	$42.1	$27.7	$29.7	$36.8	$32.9	$45.7	$42.1	$41.9	$41.4	$43.1	$34.9	$461.7
RPTT	$425.9	$54.7	$71.4	$28.0	$20.4	$24.3	$40.5	$44.2	$29.6	$17.5	$29.7	$30.9	$34.8	$425.9
MRT	242.5	32.9	30.7	12.3	14.0	21.1	15.3	24.7	17.1	16.8	21.0	20.9	15.7	242.5
Total Urban Tax - *NYCT 90% share*	$668.5	$87.6	$102.1	$40.3	$34.3	$45.4	$55.8	$68.9	$46.7	$34.3	$50.7	$51.9	$50.5	$668.5
Total Real Estate Taxes	$1,130.2	$131.0	$144.2	$68.0	$64.1	$82.3	$88.7	$114.5	$88.8	$76.2	$92.1	$95.0	$85.3	$1,130.2

2020 Monthly Actuals	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	YTD Dec
MRT-1	$36.5	$33.7	$26.5	$25.8	$16.6	$17.6	$24.5	$25.5	$21.8	$22.9	$29.1	$27.3	$307.7
MRT-2	12.7	13.3	12.1	12.2	9.5	9.6	13.0	13.2	13.1	13.5	16.2	16.7	155.0
Total MRT	$49.2	$47.0	$38.6	$37.9	$26.1	$27.2	$37.4	$38.6	$35.0	$36.4	$45.3	$44.0	$462.7
RPTT	$36.3	$32.1	$22.2	$35.8	$6.6	$4.0	$13.6	$12.5	$6.4	$14.5	$16.9	$17.3	$218.3
MRT	24.2	26.2	14.6	15.3	6.9	7.3	12.9	12.4	7.2	7.4	13.7	10.6	158.7
Total Urban Tax - *NYCT 90% share*	$60.5	$58.3	$36.9	$51.1	$13.5	$11.3	$26.5	$24.8	$13.7	$22.0	$30.6	$27.9	$377.0
Total Real Estate Taxes	$109.7	$105.2	$75.5	$89.0	$39.6	$38.5	$63.9	$63.4	$48.6	$58.3	$75.9	$72.0	$839.8

Variances	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Dec
MRT-1	$3.7	$2.1	$7.3	$5.1	($10.2)	($5.2)	($10.2)	($3.3)	($6.1)	($6.4)	($1.0)	$3.5	($20.6)
MRT-2	2.1	2.7	3.5	3.1	(0.5)	(0.6)	2.0	(0.2)	(0.8)	1.4	3.2	5.6	21.6
Total MRT	$5.9	$4.9	$10.9	$8.2	($10.8)	($5.7)	($8.2)	($3.5)	($7.0)	($5.0)	$2.2	$9.2	$1.0
RPTT	($18.3)	($39.3)	($5.7)	$15.4	($17.7)	($36.5)	($30.6)	($17.1)	($11.1)	($15.1)	($14.1)	($17.5)	($207.6)
MRT	(8.8)	(4.6)	2.3	1.4	(14.2)	(8.0)	(11.8)	(4.8)	(9.6)	(13.6)	(7.2)	(5.1)	(83.8)
Total Urban Tax - *NYCT 90% share*	($27.1)	($43.9)	($3.4)	$16.8	($31.9)	($44.5)	($42.4)	($21.9)	($20.6)	($28.7)	($21.3)	($22.6)	($291.4)
Total Real Estate Taxes	($21.2)	($39.0)	$7.5	$25.0	($42.7)	($50.2)	($50.6)	($25.4)	($27.6)	($33.7)	($19.1)	($13.4)	($290.4)
MRT-1	11.3%	6.8%	38.2%	24.5%	-38.2%	-22.7%	-29.4%	-11.5%	-21.9%	-21.9%	-3.2%	14.8%	-6.3%
MRT-2	20.2%	25.8%	41.4%	34.7%	-5.4%	-5.5%	17.9%	-1.3%	-6.0%	11.6%	24.2%	50.9%	16.2%
Total MRT	13.5%	11.6%	39.2%	27.6%	-29.2%	-17.4%	-18.0%	-8.3%	-16.6%	-12.1%	5.1%	26.2%	0.2%
RPTT	-33.5%	-55.1%	-20.5%	75.6%	-72.7%	-90.1%	-69.2%	-57.8%	-63.3%	-51.0%	-45.5%	-50.2%	-48.7%
MRT	-26.6%	-14.8%	18.8%	9.9%	-67.3%	-52.4%	-47.7%	-27.9%	-56.9%	-64.7%	-34.4%	-32.5%	-34.6%
Total Urban Tax - *NYCT 90% share*	-30.9%	-43.0%	-8.5%	48.9%	-70.2%	-79.8%	-61.5%	-46.9%	-60.2%	-56.7%	-41.0%	-44.7%	-43.6%
Total Real Estate Taxes	-16.2%	-27.0%	11.0%	39.0%	-51.9%	-56.6%	-44.2%	-28.6%	-36.2%	-36.6%	-20.1%	-15.7%	-25.7%

BUDGETWATCH
Regional Economy Report

New York City Employment

Sectors with Year-over-Year Employment Gains

· None

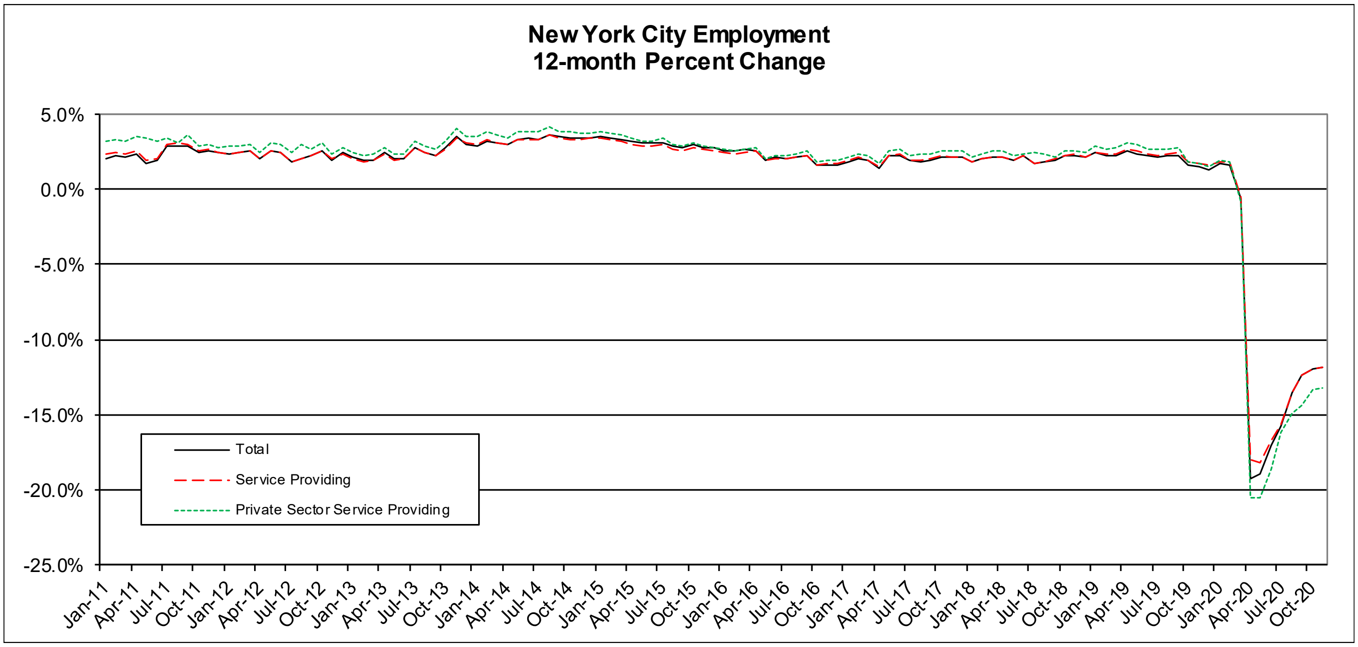
Sectors with Year-over-Year Employment Losses

· Construction, Mining, Natural Resources
· Financial Activities
· Information
· Manufacturing
· Professional & Business Service
· Transportation, Utilities
· Education & Health Services
· Government
· Leisure & Hospitality
· Other Service
·Trade

New York City Employment (in thousands)				**Nov-20 versus**			
	Prelim	**Revised**		**Oct-20**		**Nov-19**	
	Nov-20	**Oct-20**	**Nov-19**	**Net**	**Pct**	**Net**	**Pct**
Total Employment	**4,175.9**	**4,139.7**	**4,738.6**	**36.2**	**0.9%**	**(562.7)**	**-11.9%**
Goods Producing	**195.7**	**198.0**	**225.3**	**(2.3)**	**-1.2%**	**(29.6)**	**-13.1%**
Construction, Mining, Nat Res	141.6	143.5	158.3	(1.9)	-1.3%	(16.7)	-10.5%
Manufacturing	54.1	54.5	67.0	(0.4)	-0.7%	(12.9)	-19.3%
Service Providing	**3,980.2**	**3,941.7**	**4,513.3**	**38.5**	**1.0%**	**(533.1)**	**-11.8%**
Transportation, Utilities	126.0	120.8	152.3	5.2	4.3%	(26.3)	-17.3%
Trade	433.6	427.5	494.0	6.1	1.4%	(60.4)	-12.2%
Information	209.8	207.2	216.7	2.6	1.3%	(6.9)	-3.2%
Financial Activities	453.3	454.1	483.1	(0.8)	-0.2%	(29.8)	-6.2%
Professional & Business Svcs	719.1	712.5	805.2	6.6	0.9%	(86.1)	-10.7%
Education & Health Svcs	1,022.8	1,003.3	1,090.3	19.5	1.9%	(67.5)	-6.2%
Leisure & Hospitality	263.8	265.9	469.3	(2.1)	-0.8%	(205.5)	-43.8%
Other Services	163.6	164.9	196.7	(1.3)	-0.8%	(33.1)	-16.8%
Government	588.2	585.5	605.7	2.7	0.5%	(17.5)	-2.9%

Preliminary November 2020 employment in New York City reflects the impact of the COVID pandemic on employment levels, with a loss of 562,700 jobs (11.9%) when compared to last November's employment level. November marks the ninth consecutive month in which employment has declined over its level from one year earlier, after 119 consecutive months of increases ended with declines in March 2020. Decreases were significant across all sectors, but hardest hit were Leisure & Hospitality, down 205,500 jobs (43.8%), and Professional & Business Services, down 86,100 jobs (10.7%).

Employment in New York City's service-providing sectors decreased by 533,100 jobs (11.8%) over the November 2019 level; back in February before the impact of the pandemic began, year-over-year growth totaled 78,200 jobs (1.8%). Private-sector service-providing employment in New York City decreased by 515,600 jobs (13.2%), the ninth consecutive month of year-to-year decline after 120 consecutive months of increases ended in February.


New York City Employment
12-month Percent Change
5.0%
0.0%
-5.0%
-10.0%
-15.0%
-20.0%
-25.0%
Total
Service Providing
Private Sector Service Providing
Jan-11
Apr-11
Jul-11
Oct-11
Jan-12
Apr-12
Jul-12
Oct-12
Jan-13
Apr-13
Jul-13
Oct-13
Jan-14
Apr-14
Jul-14
Oct-14
Jan-15
Apr-15
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Apr-16
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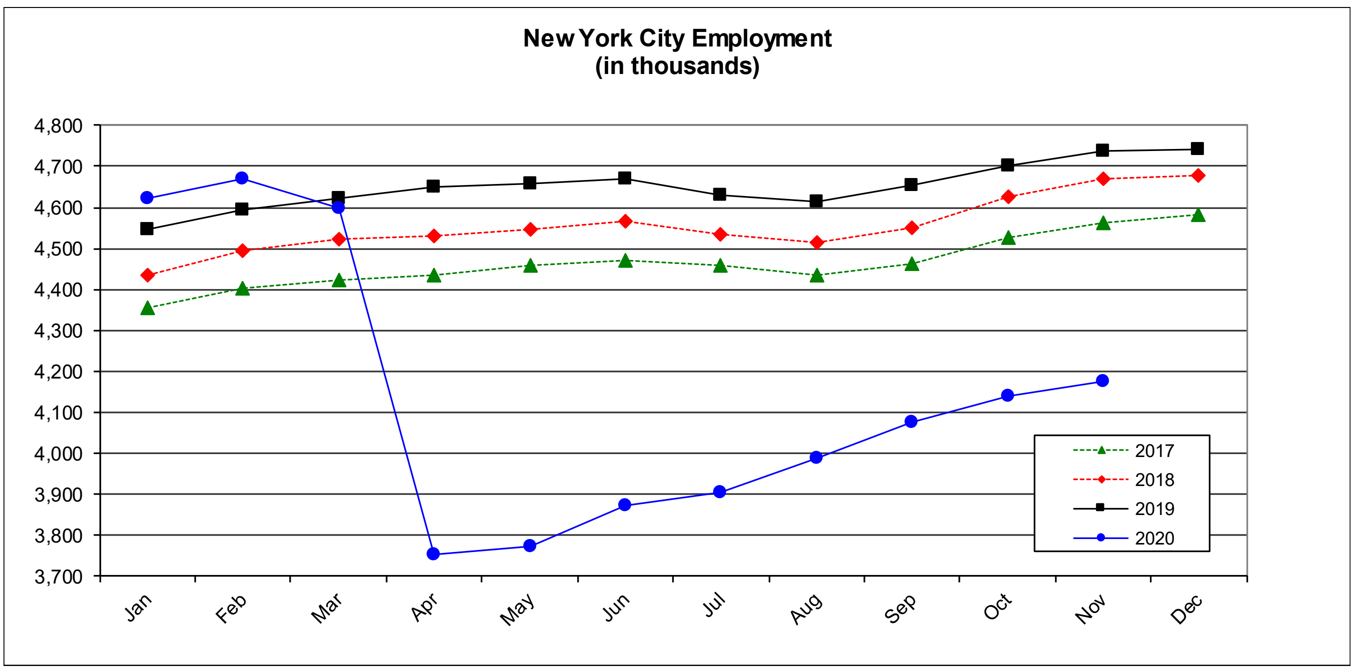
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20


New York City Employment
(in thousands)
4,800
4,700
4,600
4,500
4,400
4,300
4,200
4,100
4,000
3,900
3,800
3,700
2017
2018
2019
2020
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec

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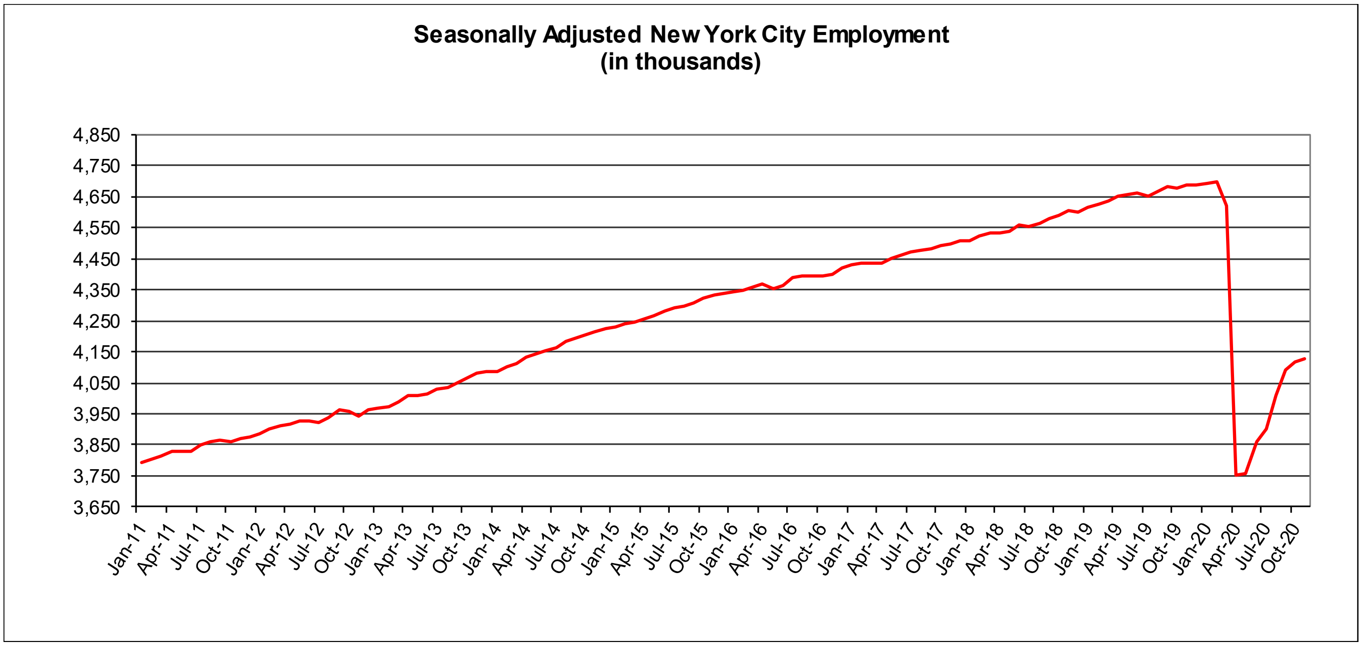
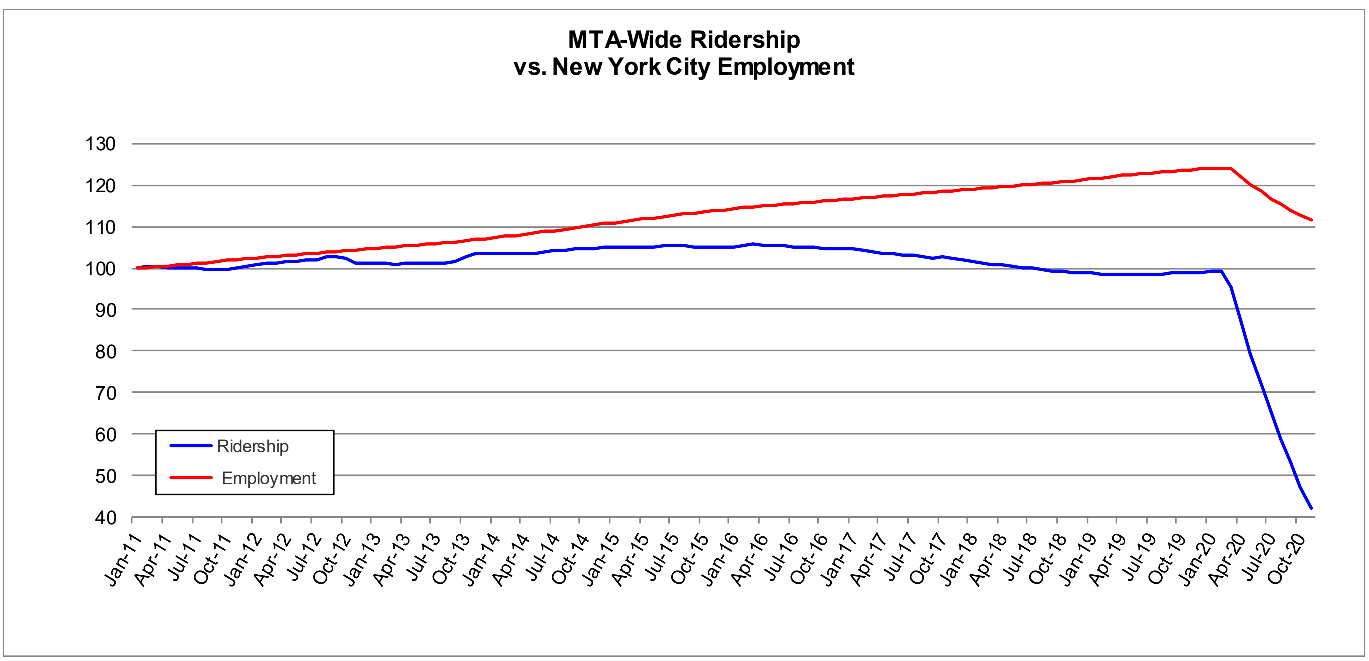
Regional Economy Report

In November 2020, seasonally adjusted New York City employment of 4.13 million was lower than in November 2019 by 559,300 jobs (11.9%); November seasonally adjusted employment was 10,600 jobs greater than last month, a 0.26% increase, the seventh monthly increase since employment bottomed in April.



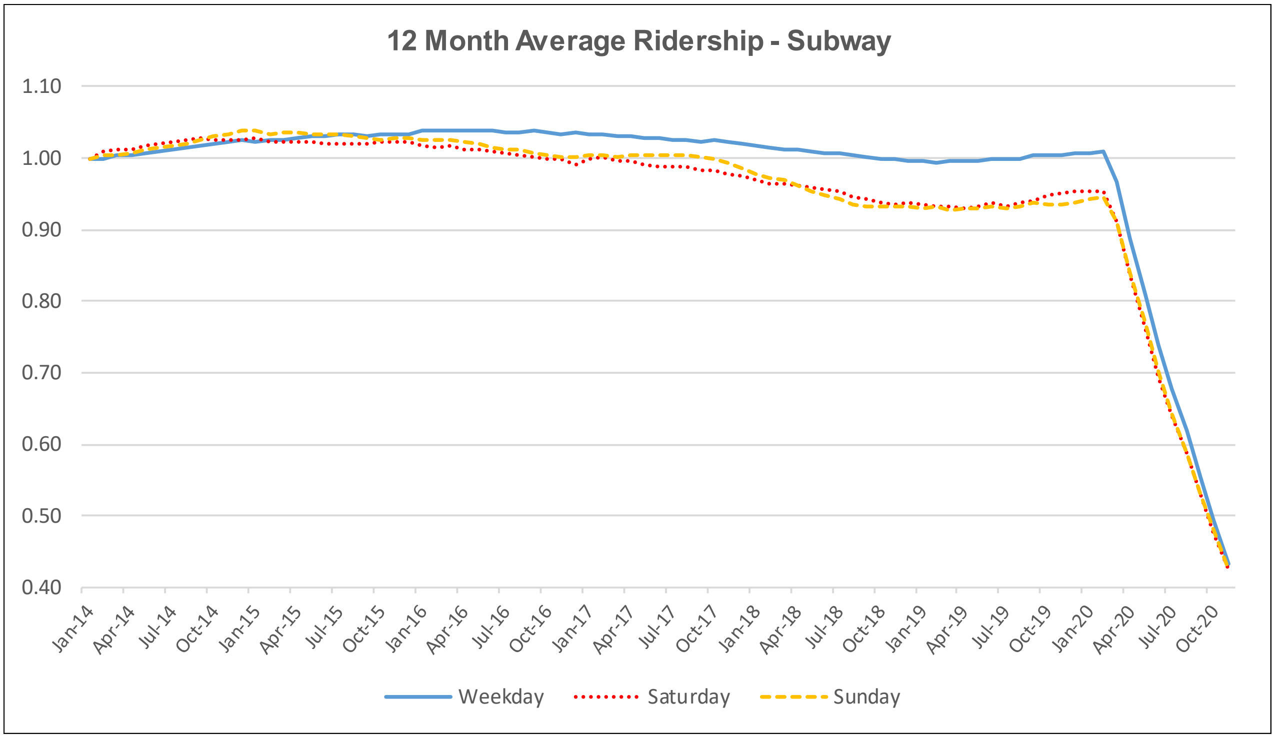
Ridership and Employment

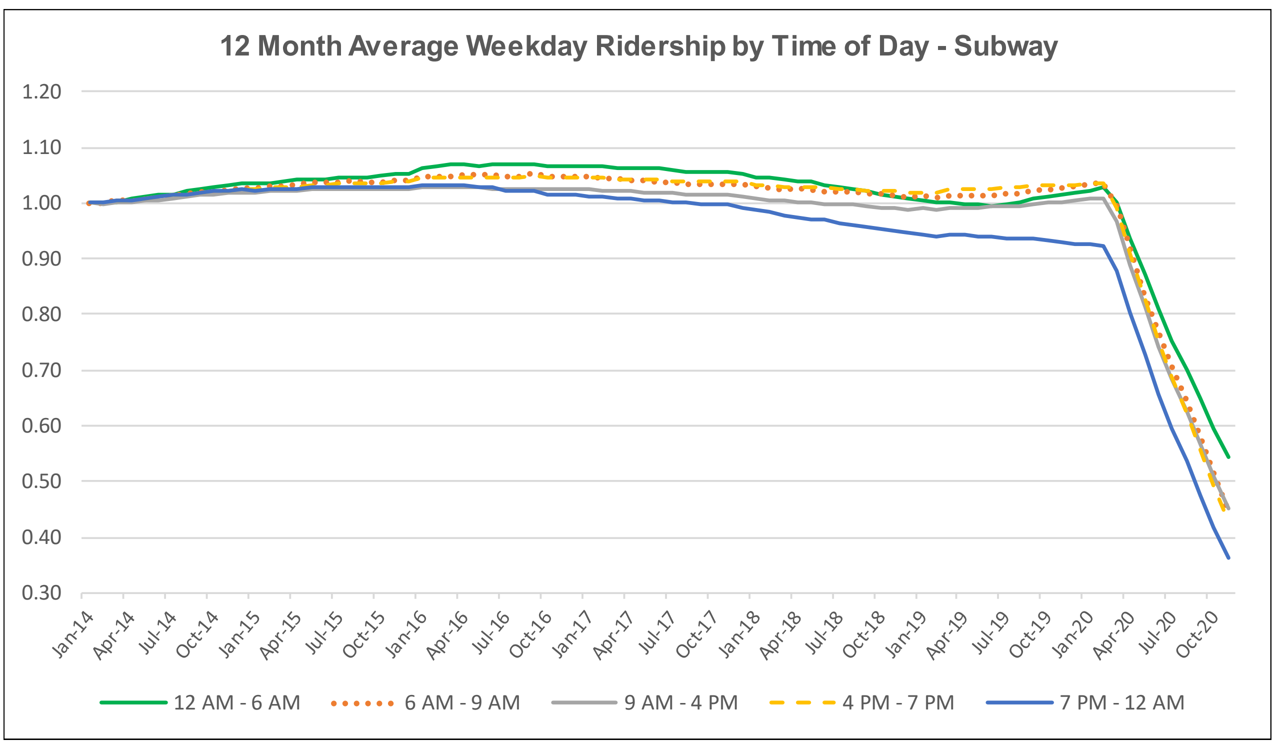
Since January 2011, the twelve-month average for employment increased by 24.1% through February 2020, while the 12-month average MTA-wide ridership fell by 0.7%. Over the past six months, however, the impact of the COVID pandemic has altered the trajectories of both, with employment standing at just 11.6% above the January 2011 level, while MTA-wide ridership is 57.9% below its January 2011 level.

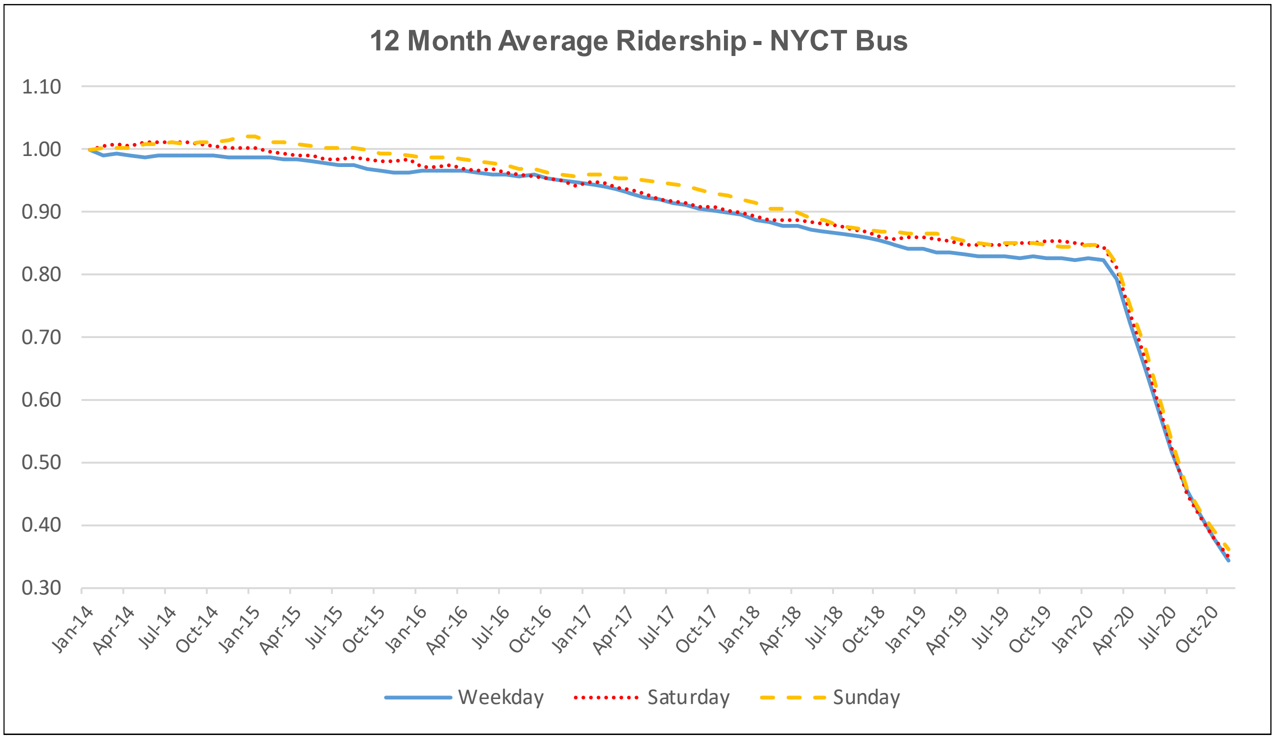


BUDGETWATCH
Regional Economy Report

The following ridership and vehicular traffic trend graphs depict 12-month averages; for example, the January 2014 data point is the average of February 2013 to January 2014, and the February 2014 data point is the average of March 2013 to February 2014, providing a visual representation of trends over time. Further, data have been standardized to 1.0, allowing for an easier comparison of trends on a single graph.






12 Month Average Ridership - NYCT Bus
1.10
1.00
0.90
0.80
0.70
0.60
0.50
0.40
0.30
Jan-14
Apr-14
Jul-14
Oct-14
Jan-15
Apr-15
Jul-15
Oct-15
Jan-16
Apr-16
Jul-16
Oct-16
Jan-17
Apr-17
Jul-17
Oct-17
Jan-18
Apr-18
Jul-18
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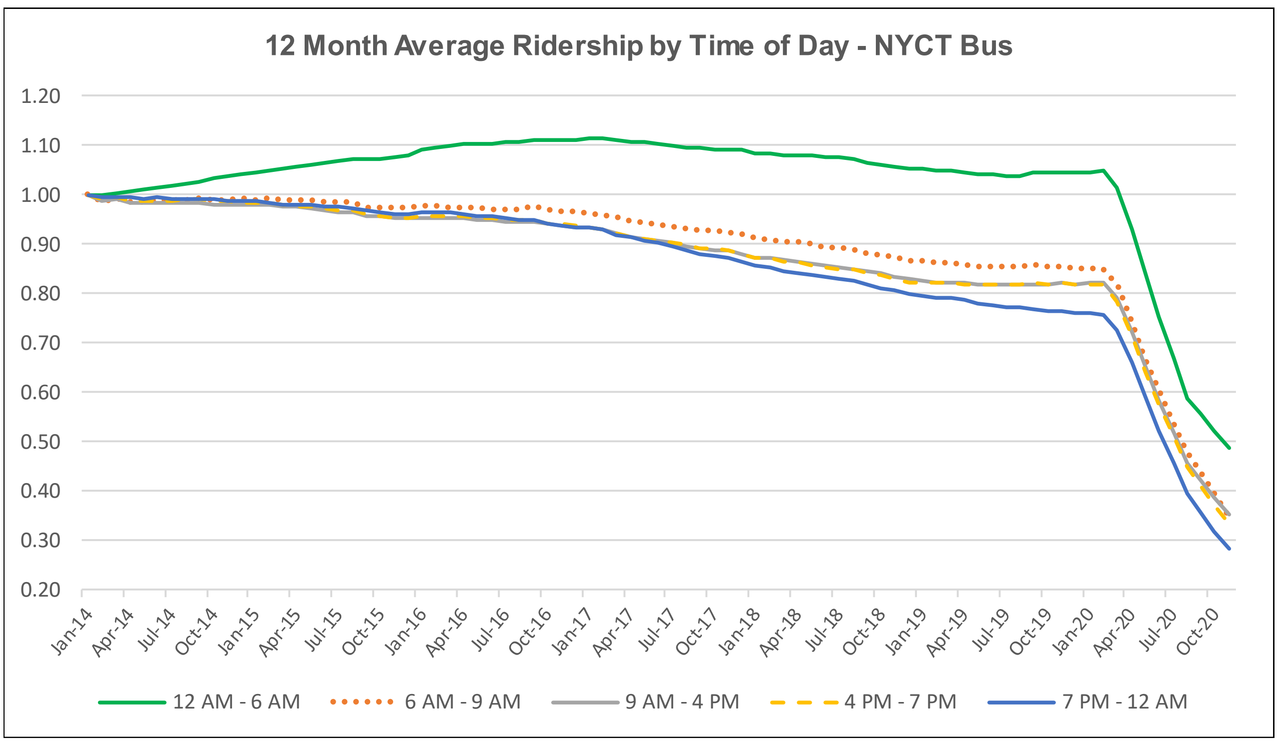
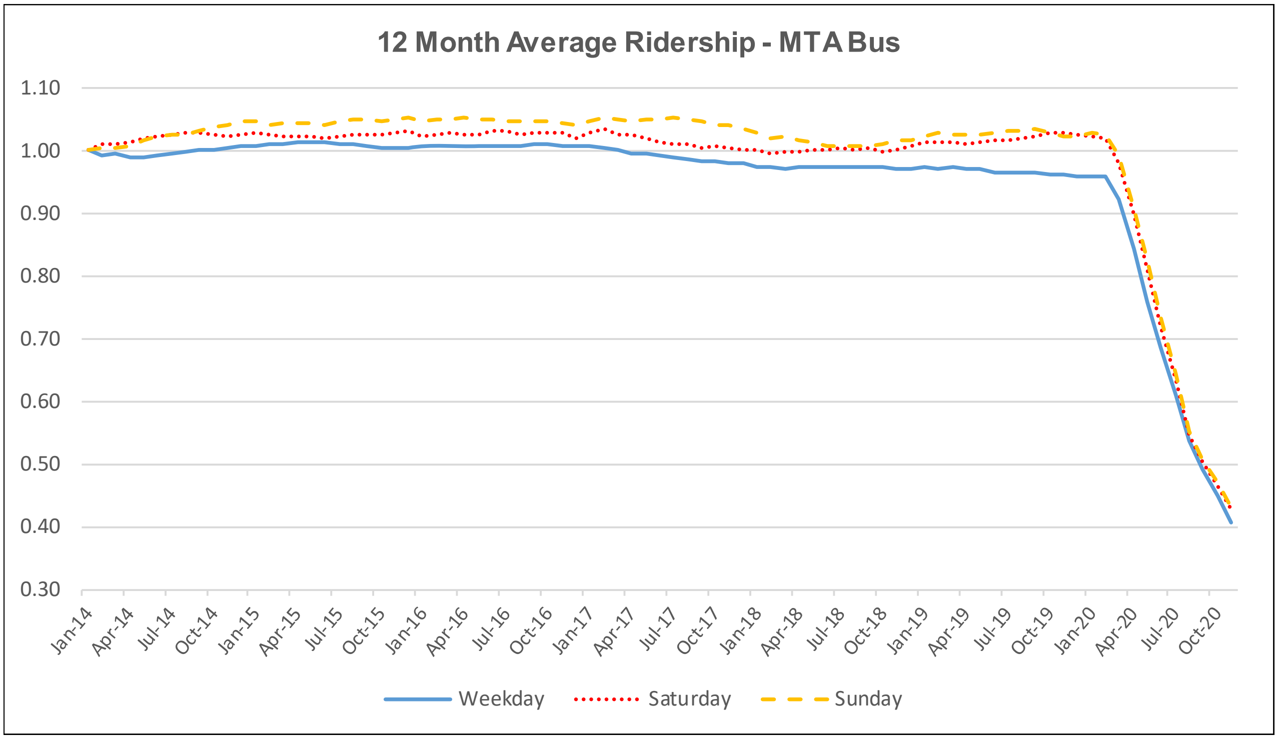
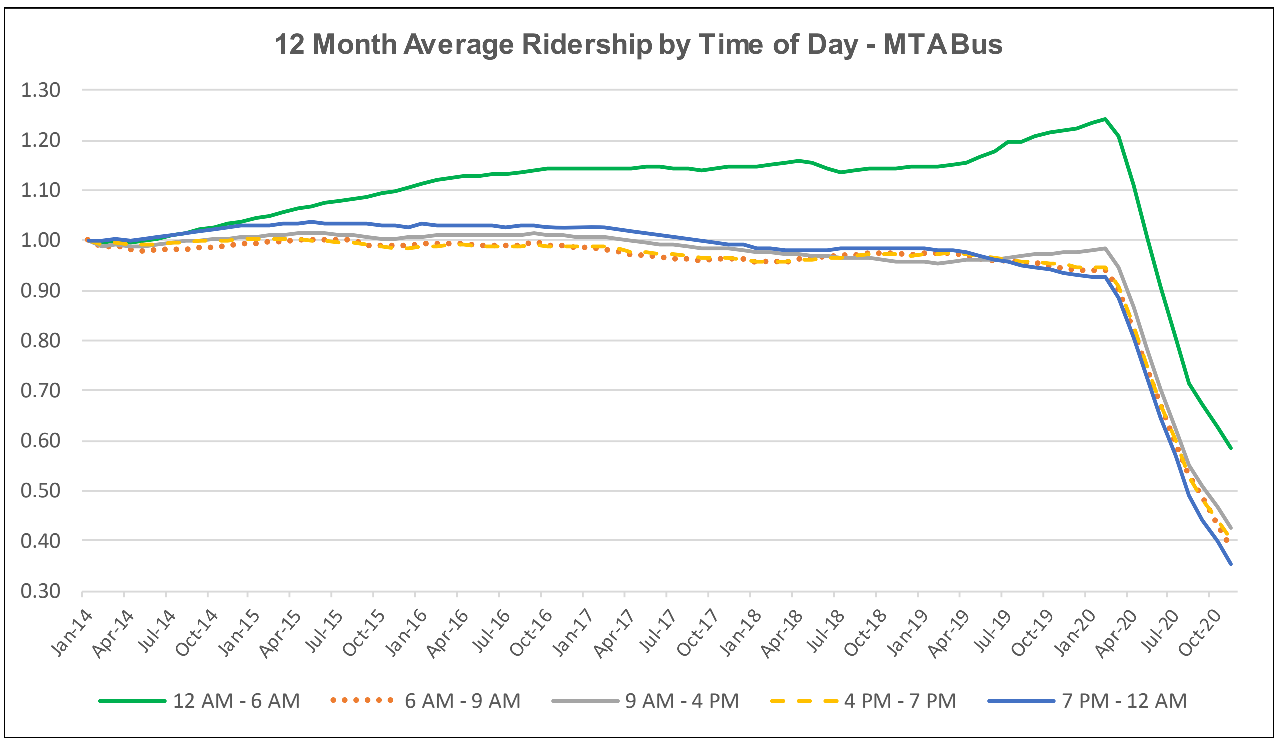
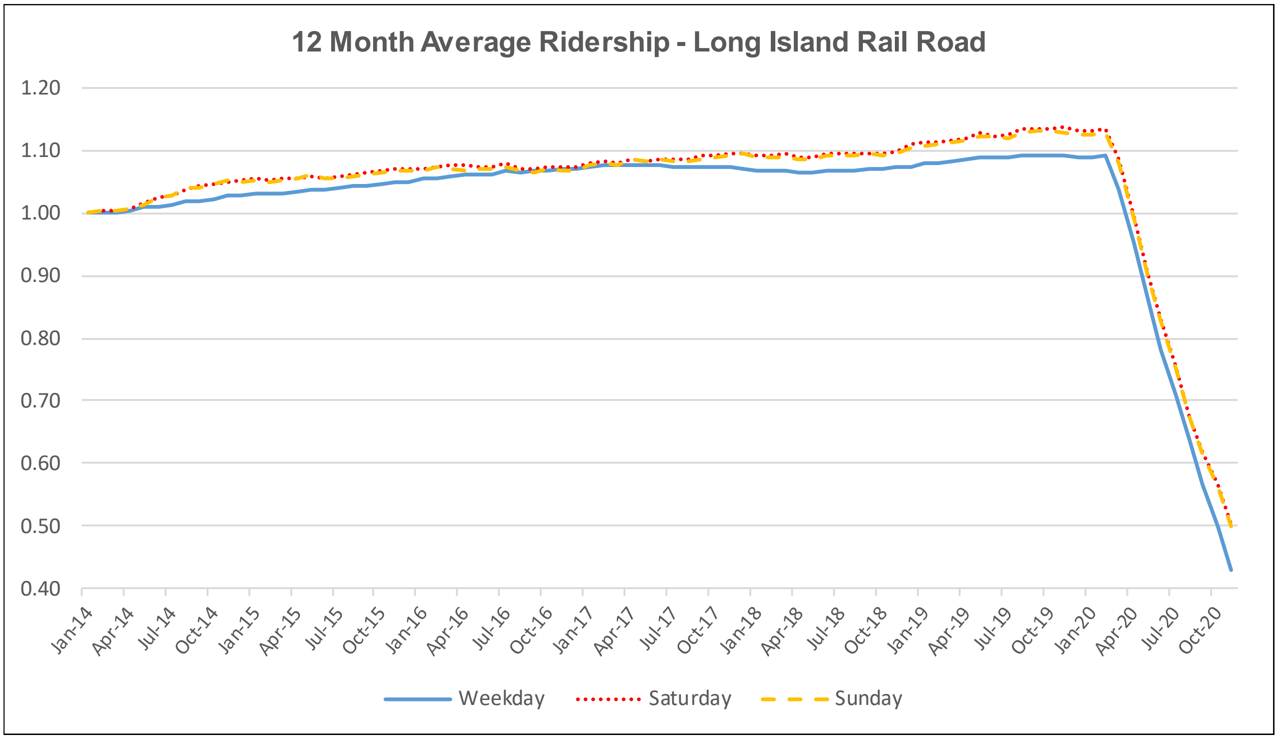
Jan-19
Apr-19
Jul-19
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20
Weekday
Saturday
Sunday

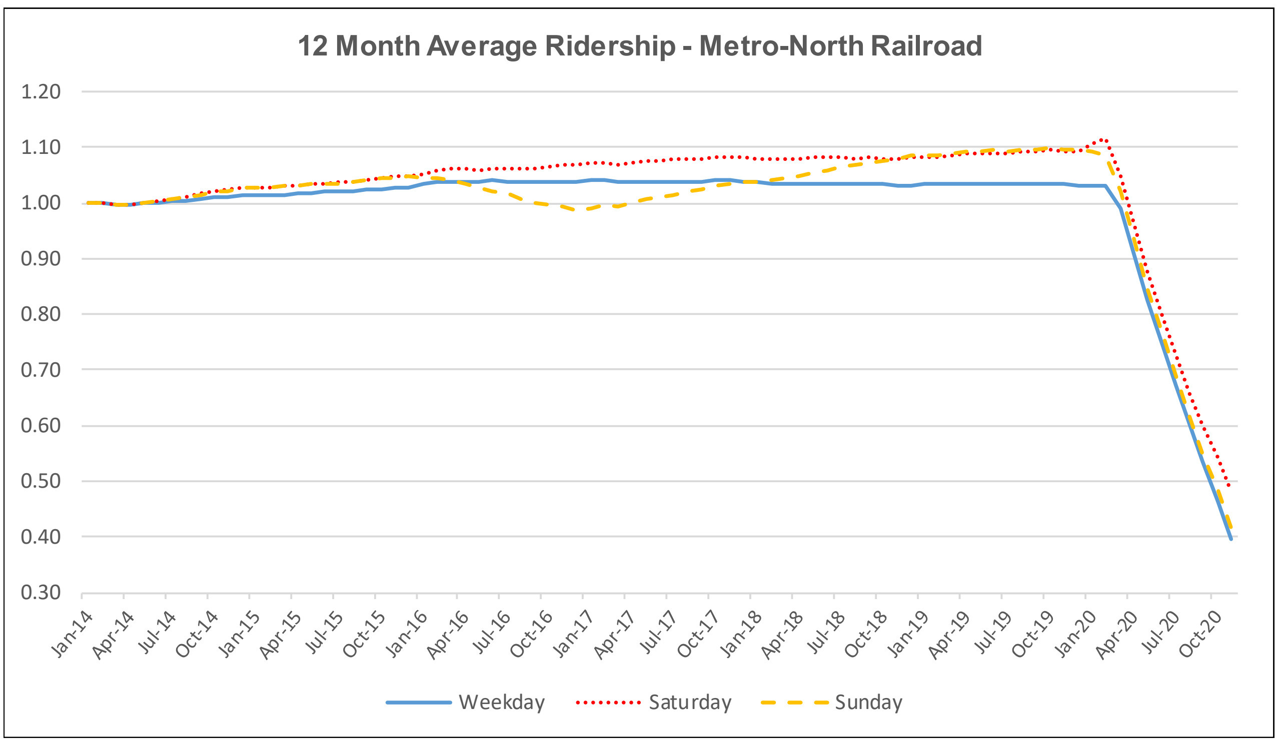

12 Month Average Ridership by Time of Day - NYCT Bus
1.20
1.10
1.00
0.90
0.80
0.70
0.60
0.50
0.40
0.30
0.20
Jan-14
Apr-14
Jul-14
Oct-14
Jan-15
Apr-15
Jul-15
Oct-15
Jan-16
Apr-16
Jul-16
Oct-16
Jan-17
Apr-17
Jul-17
Oct-17
Jan-18
Apr-18
Jul-18
Oct-18
Jan-19
Apr-19
Jul-19
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20
12 AM - 6 AM
6 AM - 9 AM
9 AM - 4 PM
4 PM - 7 PM
7 PM - 12 AM

BUDGETWATCH
Regional Economy Report

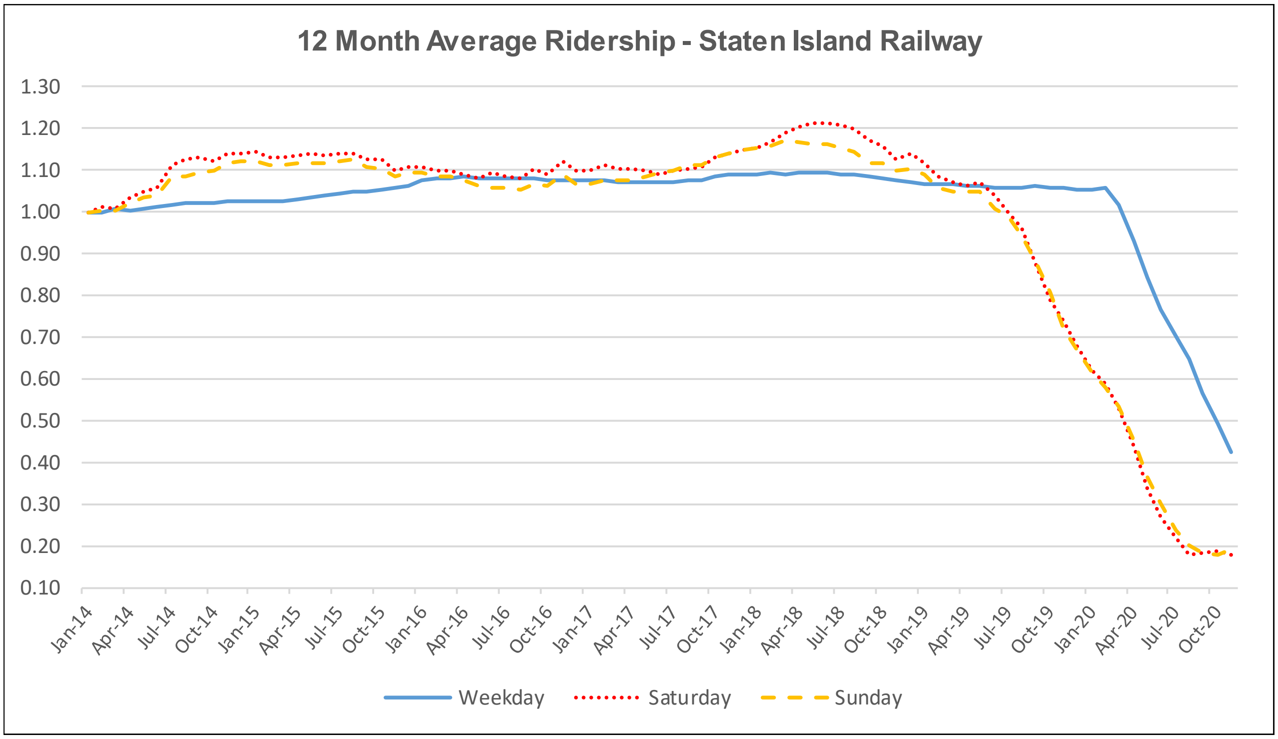


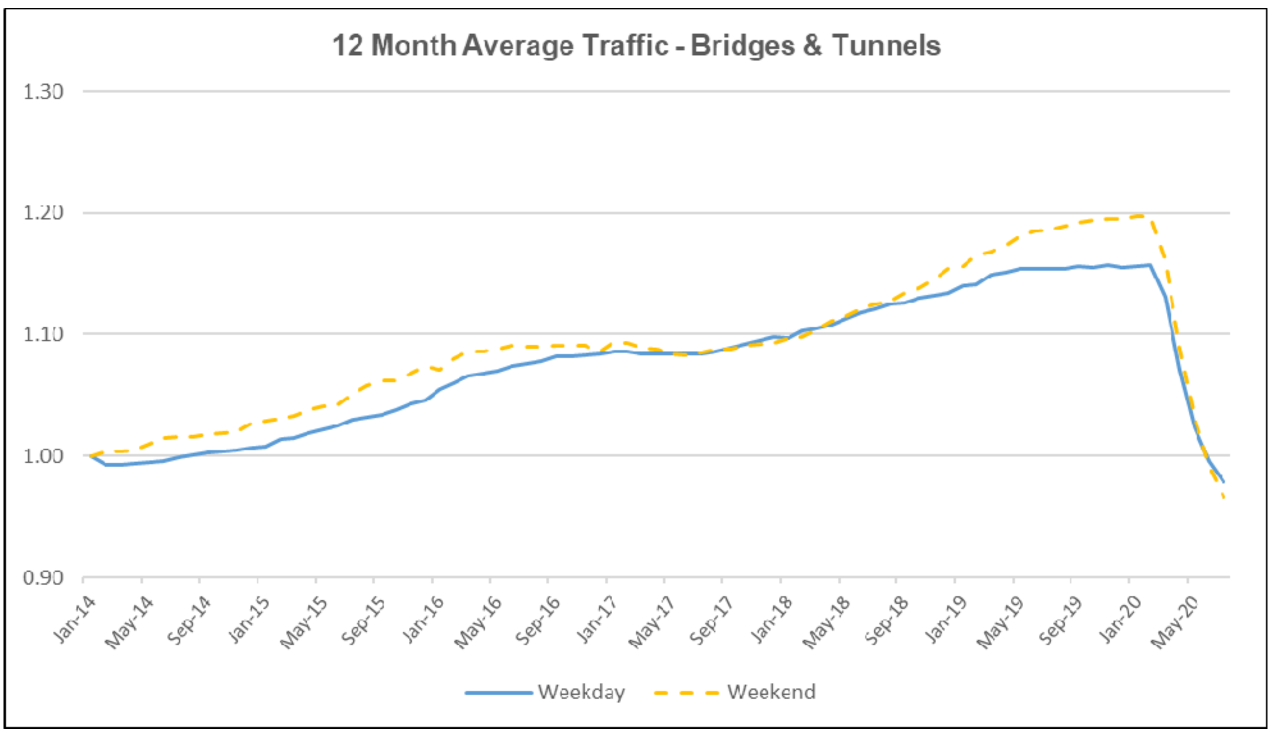



12 Month Average Ridership - Long Island Rail Road
1.20
1.10
1.00
0.90
0.80
0.70
0.60
0.50
0.40
Jan-14 Apr-14 Jul-14 Oct-14 Jan-15 Apr-15 Jul-15 Oct-15 Jan-16 Apr-16 Jul-16 Oct-16 Jan-17 Apr-17 Jul-17 Oct-17 Jan-18 Apr-18 Jul-18 Oct-18 Jan-19 Apr-19 Jul-19 Oct-19 Jan-20 Apr-20 Jul-20 Oct-20
Weekday
Saturday
Sunday


12 Month Average Ridership - Metro-North Railroad
1.20
1.10
1.00
0.90
0.80
0.70
0.60
0.50
0.40
0.30
Jan-14 Apr-14 Jul-14 Oct-14 Jan-15 Apr-15 Jul-15 Oct-15 Jan-16 Apr-16 Jul-16 Oct-16 Jan-17 Apr-17 Jul-17 Oct-17 Jan-18 Apr-18 Jul-18 Oct-18 Jan-19 Apr-19 Jul-19 Oct-19 Jan-20 Apr-20 Jul-20 Oct-20
Weekday
Saturday
Sunday

BUDGETWATCH
Regional Economy Report





BUDGETWATCH
Regional Economy Report

Consumer Price Index

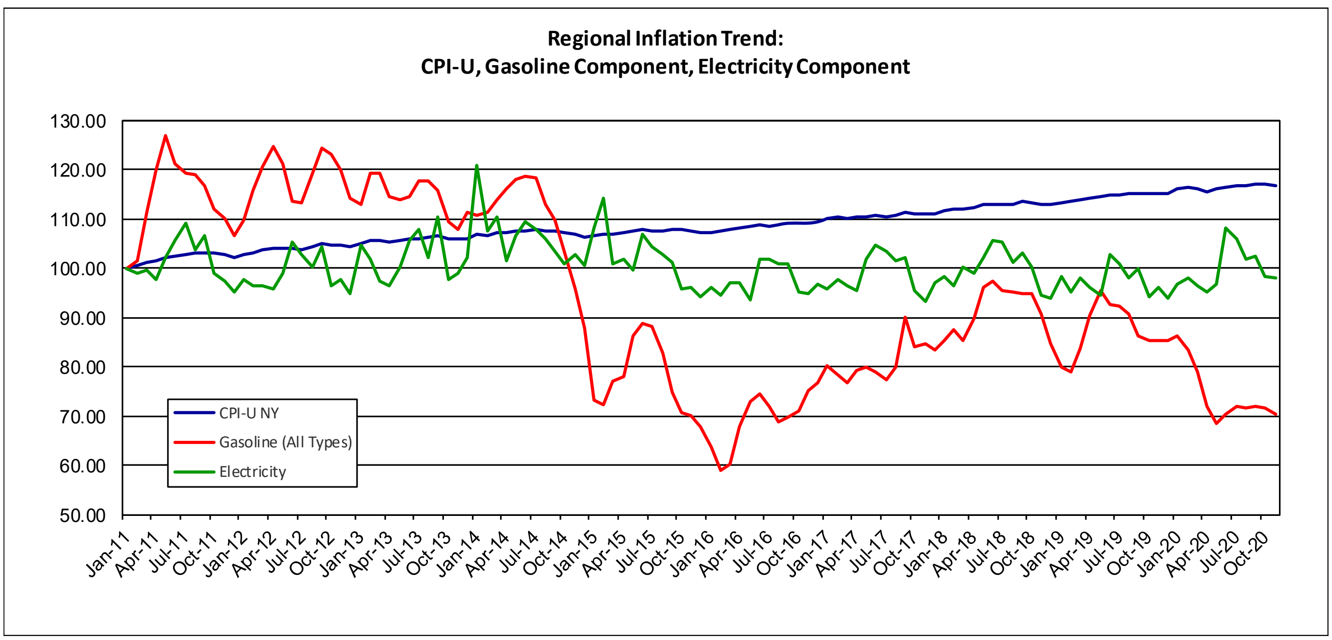
Goods Reporting Month-over-Month Price Increases

None

Goods Reporting Month-over-Month Price Declines

- Apparel
- Food
- Medical Care
- Electric
- Gasoline
- Transportation

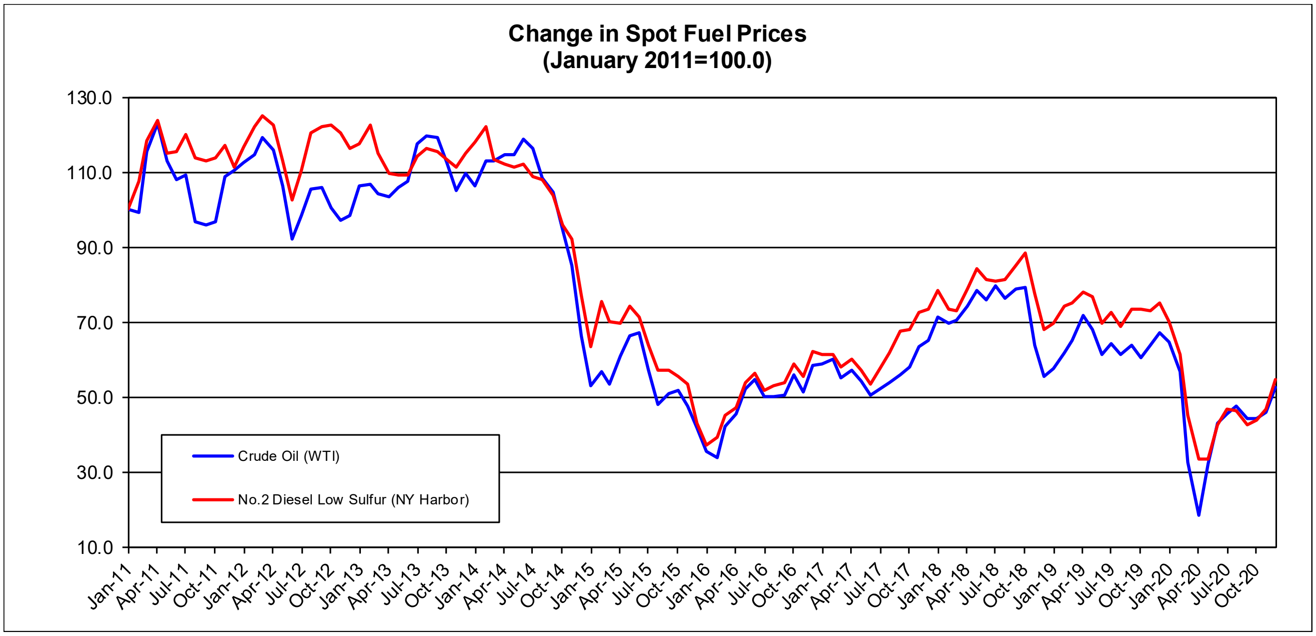
				Nov-20 versus			
				Oct-20		Nov-19	
	Nov-20	Oct-20	Nov-19	Net	Pct	Net	Pct
Regional CPI-U	**283.29**	**284.12**	**279.47**	(0.83)	-0.3%	3.82	1.4%
Medical Care Component	534.46	535.67	518.44	(1.21)	-0.2%	16.01	3.1%
Electricity Component	179.05	179.73	175.32	(0.68)	-0.4%	3.72	2.1%
Gasoline (all grades) Component	174.76	177.80	211.71	(3.04)	-1.7%	(36.94)	-17.4%
National CPI-U	**260.23**	**260.39**	**257.21**	(0.16)	-0.1%	3.02	1.2%



BUDGETWATCH
Regional Economy Report

Fuel Prices

Fuel - Spot Prices *NY Harbor, except Crude Oil (WTI)*	**Latest Price: 1/4/21**	**Dec-20**	**Nov-20**	**Dec-19**	**Dec-20 versus Nov-20**	**Dec-20 versus Dec-19**
Crude Oil ($/bbl)	47.47	47.02	40.94	59.88	14.9%	-21.5%
Conventional Regular Gasoline ($/gal)	1.40	1.36	1.19	1.71	14.2%	-20.7%
Low Sulfur No.2 Diesel Fuel ($/gal)	1.46	1.44	1.24	1.99	16.4%	-27.4%
No.2 Heating Oil ($/gal)	1.36	1.37	1.16	1.97	17.8%	-30.5%



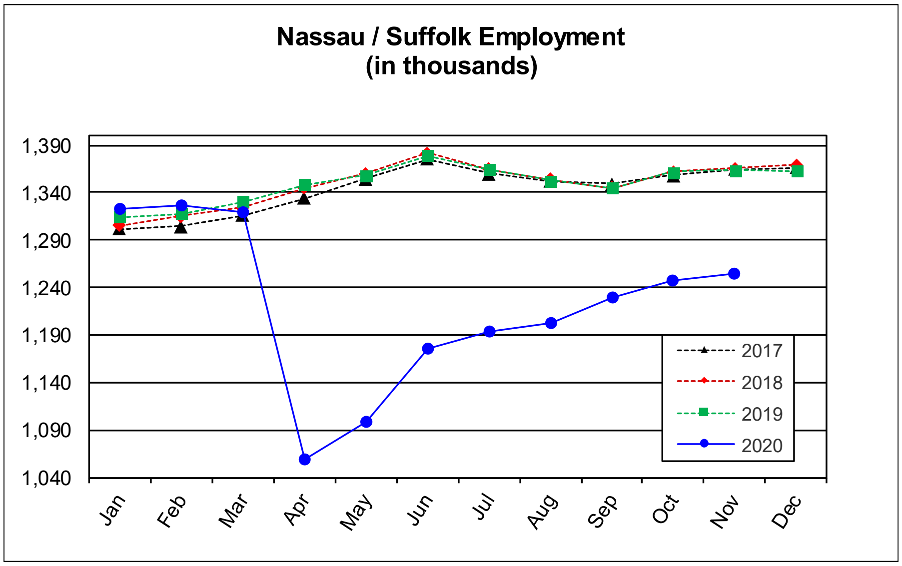
BUDGETWATCH
Regional Economy Report

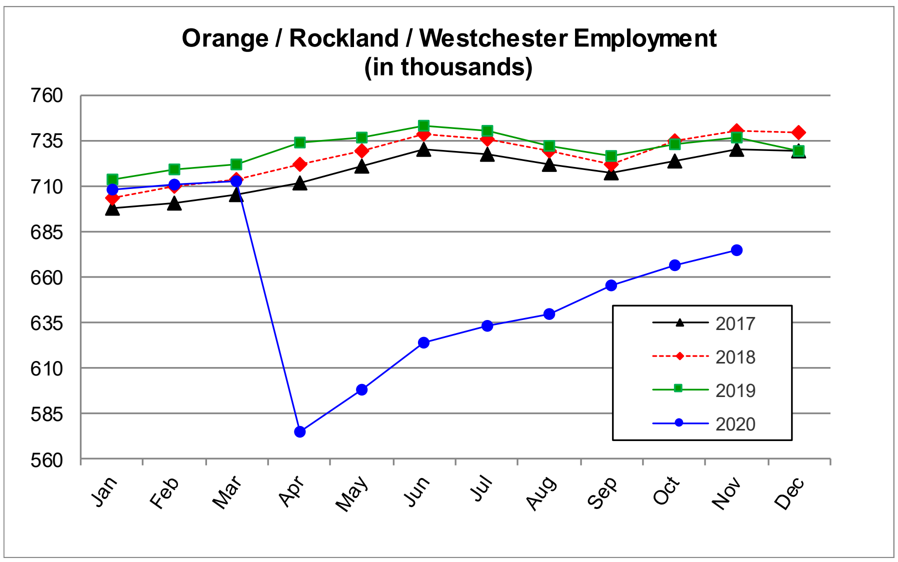
Nassau, Suffolk Employment (in thousands)				Nov-20 versus			
	Prelim	**Revised**		**Oct-20**		**Nov-19**	
	Nov-20	**Oct-20**	**Nov-19**	**Net**	**Percent**	**Net**	**Percent**
Total Employment	**1,254.6**	**1,247.0**	**1,363.7**	**7.6**	**0.6%**	**-109.1**	**-8.0%**
Goods Producing	**142.6**	**143.9**	**155.7**	**-1.3**	**-0.9%**	**-13.1**	**-8.4%**
Construction, Mining, Nat Res	79.6	80.3	84.4	-0.7	-0.9%	-4.8	-5.7%
Manufacturing	63.0	63.6	71.3	-0.6	-0.9%	-8.3	-11.6%
Service Providing	**1,112.0**	**1,103.1**	**1,208.0**	**8.9**	**0.8%**	**-96.0**	**-7.9%**
Transportation, Utilities	41.3	38.8	45.5	2.5	6.4%	-4.2	-9.2%
Trade	218.5	214.1	229.3	4.4	2.1%	-10.8	-4.7%
Information	14.8	14.8	15.6	0.0	0.0%	-0.8	-5.1%
Financial Activities	68.4	68.4	68.9	0.0	0.0%	-0.5	-0.7%
Professional & Business Svcs	164.1	163.8	174.1	0.3	0.2%	-10.0	-5.7%
Education & Health Svcs	264.9	260.8	288.5	4.1	1.6%	-23.6	-8.2%
Leisure & Hospitality	89.2	92.5	125.0	-3.3	-3.6%	-35.8	-28.6%
Other Services	56.8	56.5	60.7	0.3	0.5%	-3.9	-6.4%
Government	194.0	193.4	200.4	0.6	0.3%	-6.4	-3.2%

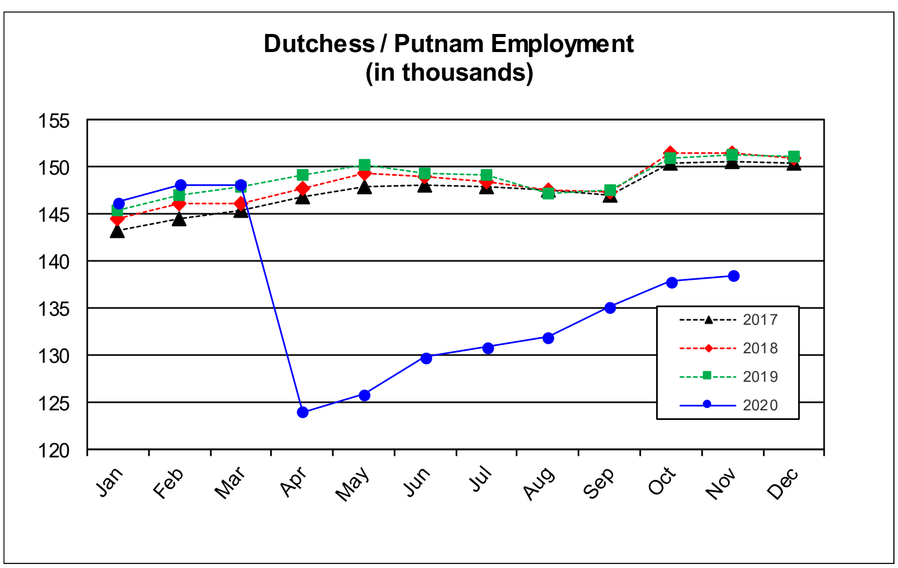
Orange, Rockland, Westchester Employment (in thousands)				Nov-20 versus			
	Prelim	**Revised**		**Oct-20**		**Nov-19**	
	Nov-20	**Oct-20**	**Nov-19**	**Net**	**Percent**	**Net**	**Percent**
Total Employment	**675.1**	**666.9**	**736.2**	**8.2**	**1.2%**	**-61.1**	**-8.3%**
Goods Producing	**67.8**	**67.8**	**74.3**	**0.0**	**0.0%**	**-6.5**	**-8.7%**
Construction, Mining, Nat Res	41.6	41.4	45.1	0.2	0.5%	-3.5	-7.8%
Manufacturing	26.2	26.4	29.2	-0.2	-0.8%	-3.0	-10.3%
Service Providing	**607.3**	**599.1**	**661.9**	**8.2**	**1.4%**	**-54.6**	**-8.2%**
Transportation, Utilities	25.6	24.9	27.8	0.7	2.8%	-2.2	-7.9%
Trade	108.9	106.3	114.4	2.6	2.4%	-5.5	-4.8%
Information	11.7	11.6	11.9	0.1	0.9%	-0.2	-1.7%
Financial Activities	35.3	35.6	38.0	-0.3	-0.8%	-2.7	-7.1%
Professional & Business Svcs	91.8	89.5	98.2	2.3	2.6%	-6.4	-6.5%
Education & Health Svcs	162.6	160.2	166.6	2.4	1.5%	-4.0	-2.4%
Leisure & Hospitality	38.4	39.2	63.7	-0.8	-2.0%	-25.3	-39.7%
Other Services	25.9	25.6	31.3	0.3	1.2%	-5.4	-17.3%
Government	107.1	106.2	110.0	0.9	0.8%	-2.9	-2.6%

Dutchess, Putnam Employment (in thousands)				Nov-20 versus			
	Prelim	**Revised**		**Oct-20**		**Nov-19**	
	Nov-20	**Oct-20**	**Nov-19**	**Net**	**Percent**	**Net**	**Percent**
Total Employment	**138.5**	**137.9**	**151.3**	**0.6**	**0.4%**	**-12.8**	**-8.5%**
Goods Producing	**18.3**	**18.5**	**17.7**	**-0.2**	**-1.1%**	**0.6**	**3.4%**
Construction, Mining, Nat Res	10.1	10.2	8.8	-0.1	-1.0%	1.3	14.8%
Manufacturing	8.2	8.3	8.9	-0.1	-1.2%	-0.7	-7.9%
Service Providing	**120.2**	**119.4**	**133.6**	**0.8**	**0.7%**	**-13.4**	**-10.0%**
Transportation, Utilities	3.9	3.8	4.7	0.1	2.6%	-0.8	-17.0%
Trade	19.5	19.2	20.6	0.3	1.6%	-1.1	-5.3%
Information	1.9	1.8	1.9	0.1	5.6%	0.0	0.0%
Financial Activities	4.9	4.9	5.1	0.0	0.0%	-0.2	-3.9%
Professional & Business Svcs	11.7	11.6	13.5	0.1	0.9%	-1.8	-13.3%
Education & Health Svcs	36.6	36.2	40.0	0.4	1.1%	-3.4	-8.5%
Leisure & Hospitality	10.9	11.0	14.6	-0.1	-0.9%	-3.7	-25.3%
Other Services	6.0	6.0	6.8	0.0	0.0%	-0.8	-11.8%
Government	24.8	24.9	26.4	-0.1	-0.4%	-1.6	-6.1%

BUDGETWATCH
Regional Economy Report







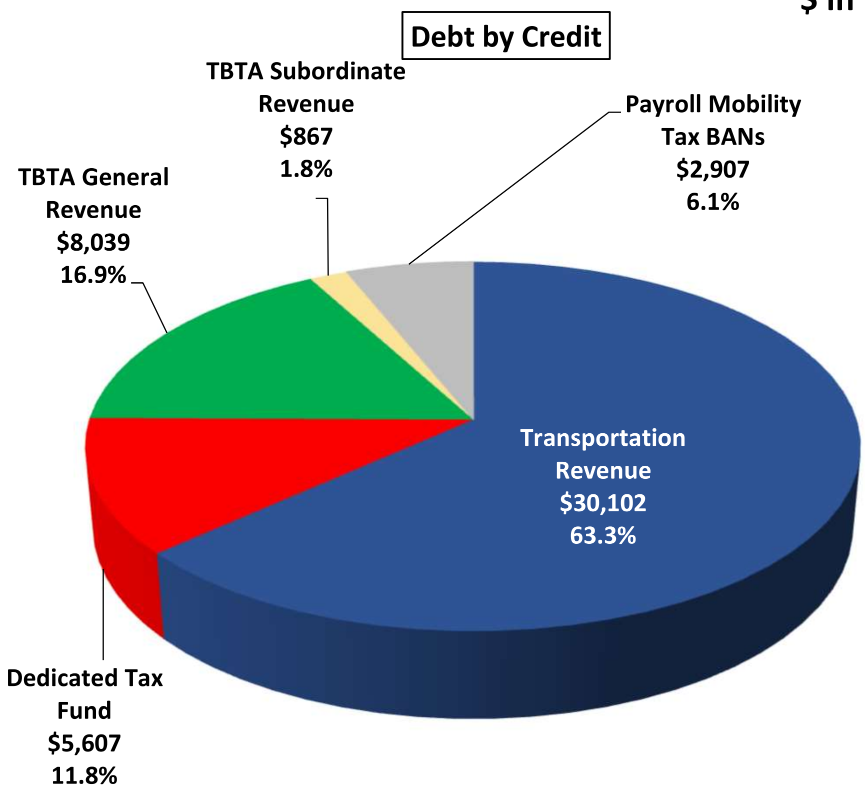
Report to the Finance Committee
2020 Year End Review

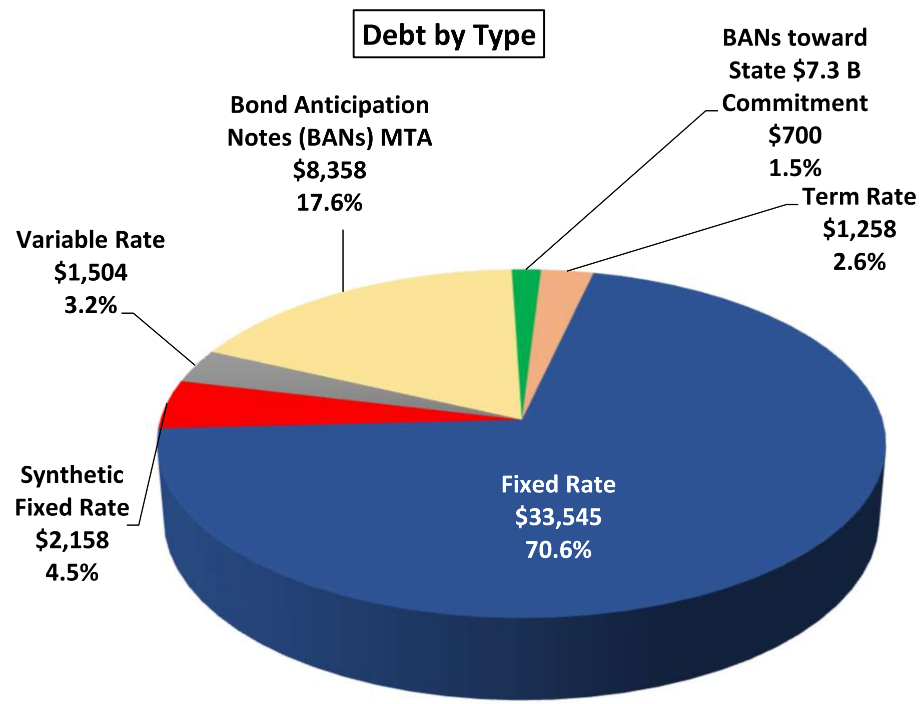
MTA Finance Department
Patrick McCoy, Director
January 21, 2021

MTA Debt Overview

$47.5 billion – Debt Outstanding on Core Credits (as of 12/31/2020)

$ in millions

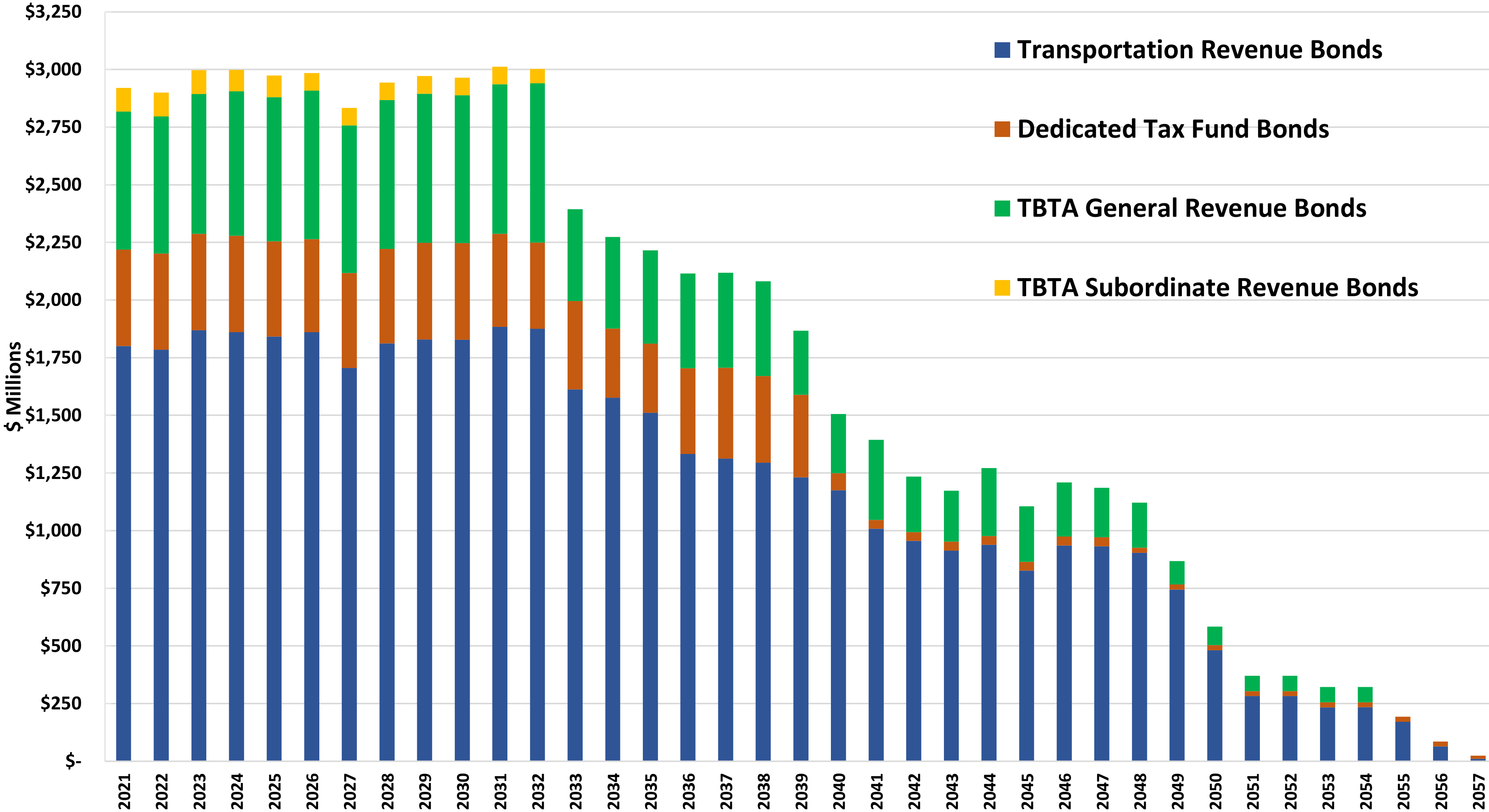




- **Approximately $1.09 billion of long-term debt was retired through normal amortization in 2020**
- **Year-over-year change in outstanding debt was approximately $4.6 billion**
  - Including $2.9 billion of Payroll Mobility Tax BANs
- **All-In True Interest Cost (TIC) as of 12/31/20: 3.20%**

Notes:
1) Debt Outstanding reflects the draws on the Railroad Rehabilitation and Improvement Financing (RRIF) Program loan (TRB Series 2015X)
2) Debt by Credit chart incorporates BANs into their respective credits
3) Term Rate bonds have a fixed rate for a defined period (until the mandatory tender date) and do not have a fixed rate for the entire life of the bonds
4) BANs issued listed as toward State commitment are for the $7.3 billion State contribution for the 2015-2019 Capital Program
5) BANs listed in the Debt by Type chart includes $2.907 billion Payroll Mobility Tax BANs that were issued directly to the Federal Reserve's Municipal Liquidity Facility LLC for working capital
6) Excludes $845.1 million Hudson Rail Yards Trust Obligations (Series 2016A and Refunding Series 2020A), which are not secured by MTA revenues
7) Numbers may not total due to rounding

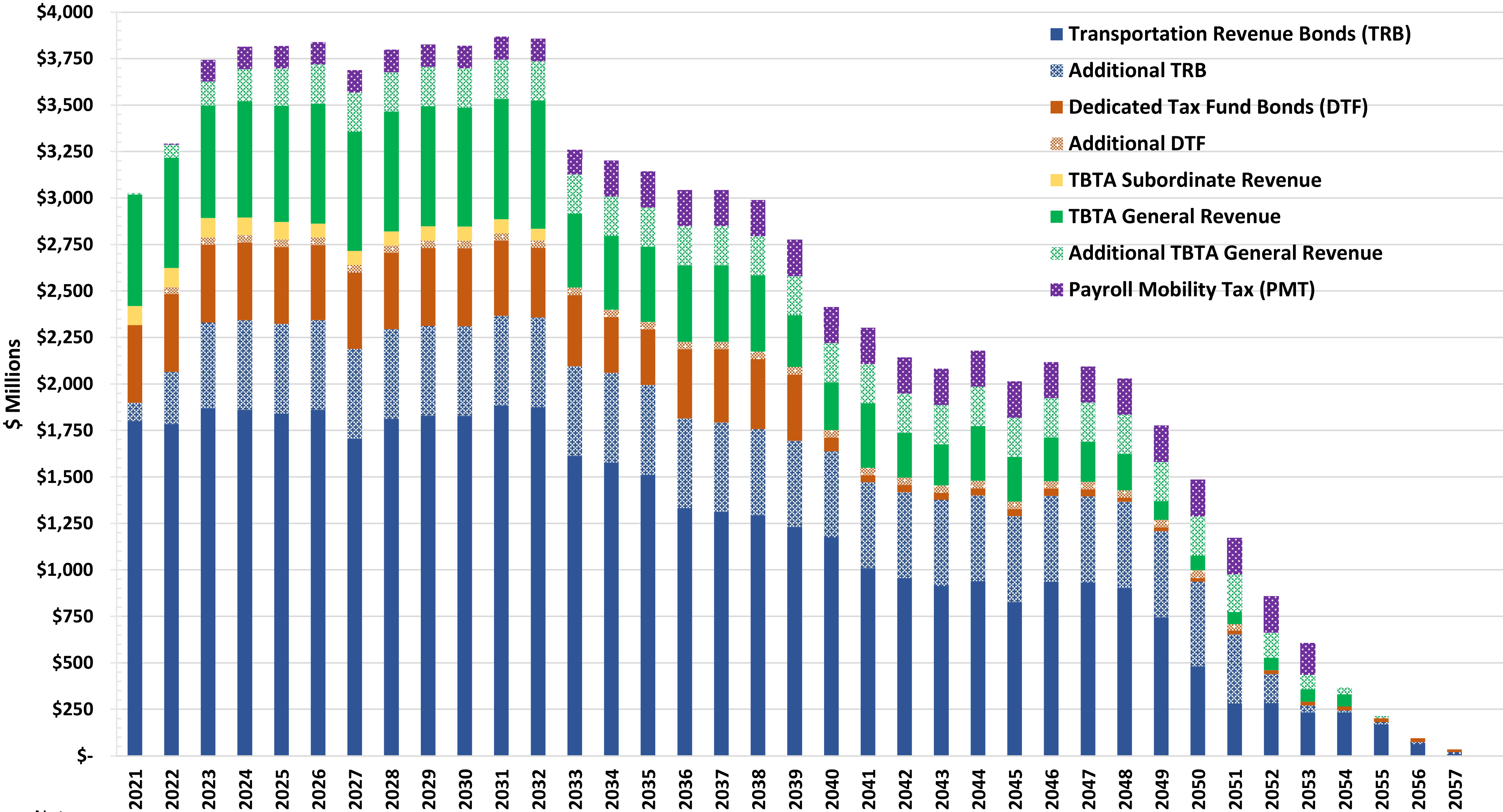
Stated Debt Service on Outstanding Bonds by Credit



Note:

1) Stated debt service as of 12/31/2020

Stated Debt Service on Outstanding Bonds and Additional Debt Service Budgeted in Adopted Budget



Notes:
1) Debt outstanding is stated debt service as of 12/31/2020
2) Additional Debt Service is as incorporated in the Adopted Budget, details of which will be reflected in the February Financial Plan
3) Additional TRB debt includes debt to retire $700 million BANs issued for State commitment toward the $7.3 billion State contribution for the 2015-2019 Capital Program
4) Does not reflect bonds supported by CBDTP Lockbox Revenues as budgeted in the Adopted Budget

Operating Impacts of Coronavirus Pandemic

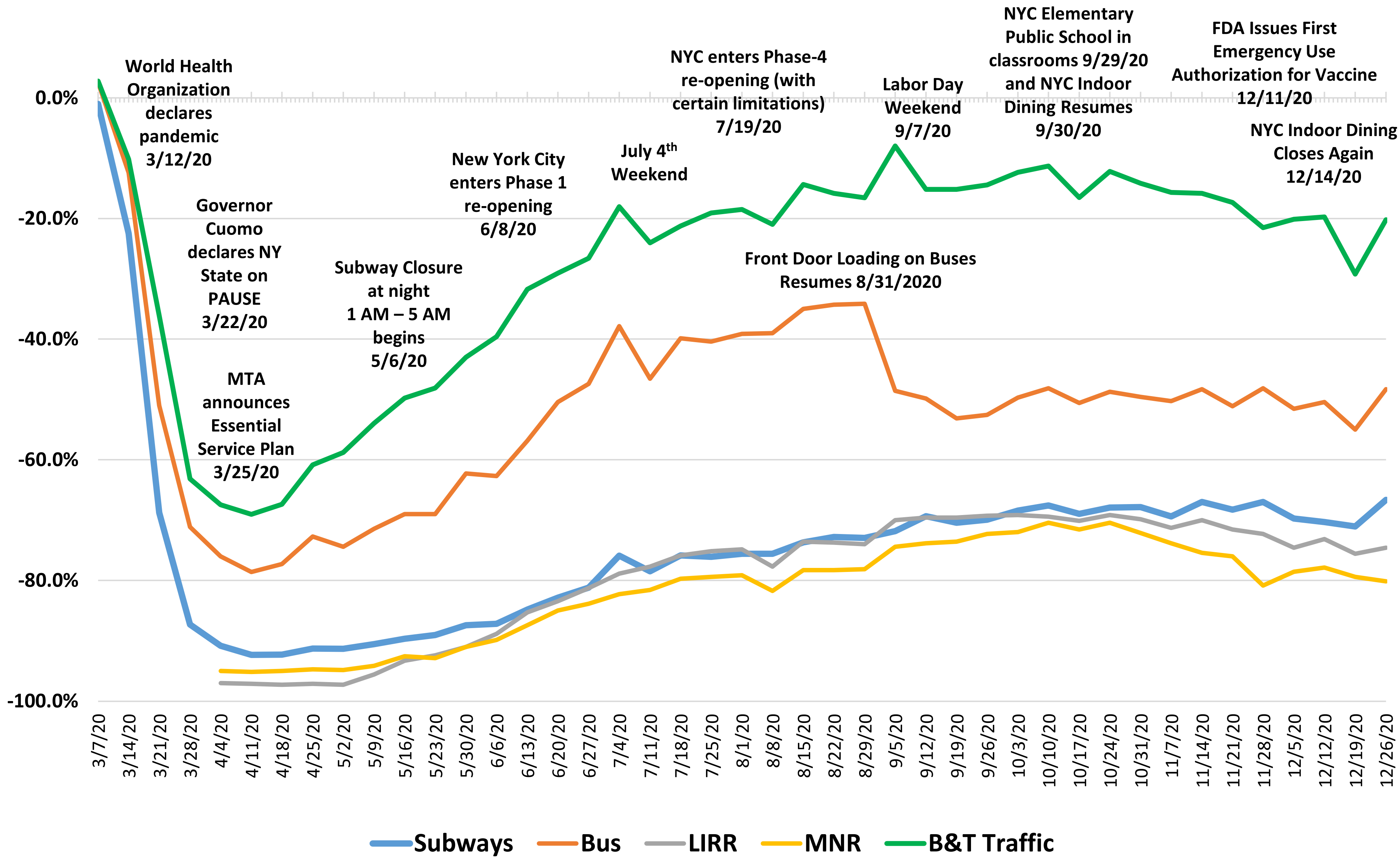
- **Dramatic declines in ridership and traffic**
  - At height of pandemic, subway and commuter railroad ridership dropped by approximately 95% as compared to similar timeframe in 2019
  - Crossings at MTA Bridges and Tunnels facilities were down by 64.4% for month of April, at height of pandemic, as compared to 2019

- **Revenue Losses**
  - McKinsey's COVID-19 Analysis Report, published May 1, indicated approximately $10.3 billion revenue loss for the 2-year total from 2020 and 2021
  - Preliminary results of updated McKinsey analysis, as incorporated in the December Financial Plan, are more pessimistic than May 1 analysis, indicating ridership recovery rates of 27% for 2021, 54% for 2022, 71% for 2023, and 79% for 2024
    - This "worst case" recovery scenario was incorporated into the November Financial Plan and adopted in the December Financial Plan

- **Impact on dedicated taxes**
  - The 2020-2021 State Enacted Budget authorized the reduction of aid-to-localities appropriations and disbursements – accordingly MTA included a below-the-line reduction total of $281 million in the July Financial Plan for 2020 and 2021 and an additional $116 million for 2021 in the November Financial Plan
  - State dedicated tax receipts (preliminary results) through December 2020 were 11.5% lower compared to the same timeframe in 2019, and 18.7% lower compared to the 2020 Adopted Budget
  - Real estate tax receipts through December 2020 (preliminary results) were 25.7% lower compared to same timeframe in 2019, and 23.3% lower than 2020 Adopted Budget

Notes:
1) State dedicated tax receipts reflected above include: MMTOA, Petroleum Business Tax (PBT), Payroll Mobility Tax (PMT), MTA Aid Trust Account, For-Hire Vehicle Surcharge, and PMT Revenue Offset (also referred to as PMT Replacement)
2) Real estate tax receipts reflected above include: Mortgage Recording Tax (MRT) and NYC Urban Tax

Impact of Pandemic on Daily Ridership and Traffic - 7-Day Average



*Daily ridership and traffic as reported on MTA's website: https://new.mta.info/coronavirus/ridership
Comparison reflects % Change From 2019 Equivalent Day, data for LIRR and MNR began on 4/1/20

Federal and State Government - Assistance for MTA

- In March 2020, the CARES Act was enacted, providing $4.0 billion in federal relief for operating costs
  - MTA expended these funds by the end of July
- MTA Chairman and CEO Patrick J. Foye requests $12 billion in additional federal relief to help the MTA
- In December 2020, the second COVID Relief Bill was enacted, providing another $4.0 billion in federal relief for operating costs in 2021

- In April 2020, the State's Enacted Budget included provisions to provide financial flexibility for MTA
  - Allowed the use of monies in the Central Business District Tolling Lockbox Fund for 2020 and 2021 to offset decreases in revenue or increases in operating costs
    - Currently only "internet marketplace" sales tax receipts and real estate transfer tax surcharge receipts ("mansion tax") are being deposited into the Lockbox Fund
  - Created authorization for MTA to issue up to $10 billion of deficit financing through the end of 2022

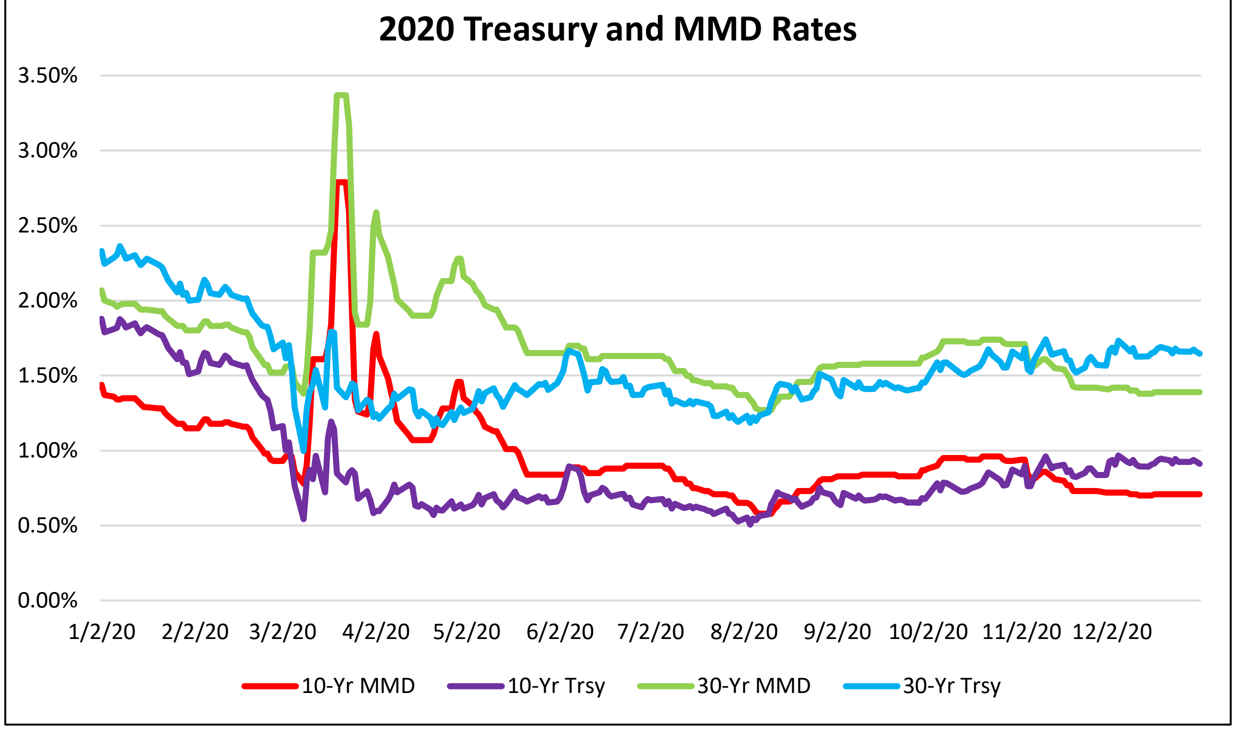
Deficit Financing

- MTA Board approved the PMT Resolution in November 2020, allowing for the issuance of working capital notes for operating costs by utilizing the Federal Reserve Bank of New York's Municipal Liquidity Facility LLC (MLF)

- On December 17, 2020, MTA completed a direct placement of $2,907,280,000 of Payroll Mobility Tax Bond Anticipation Notes (BANs), Series 2020A to the MLF, which have an interest rate of 1.33% and mature on December 15, 2023

2020 Market Recap and 2021 Outlook

- The municipal market was very turbulent during 2020
- In mid-March, the municipal market essentially shut down and only small transactions were priced and most new issues scheduled to price were pulled. 30-year MMD increased by nearly 200 bps to 3.37% over a two-week period
- The markets started to improve in mid-April, as more transactions of size were getting priced in the public markets, albeit at higher spreads
- Despite higher credit spreads, MMD rates were near historic lows in the second half of 2020, with 30-year MMD declining 68 bps since the beginning of the year to 1.39% on December 31
- Total municipal issuance volume increased 11% to $474 billion in 2020, with taxable volume doubling to $145 billion. Tax-exempt volume was 7% lower in 2020
- Municipal bond funds experienced 32 out of 34 weeks of inflows since mid-May 2020 totaling $37 billion
- Equities recovered from a turbulent market in March and reached new highs in the second half of 2020, with year-end Dow and S&P indexes increasing 7% and 16%, respectively, since the beginning of the year
- Continued market uncertainty for 2021 and prospects for 2021 will depend on the extent of the recovery from the pandemic

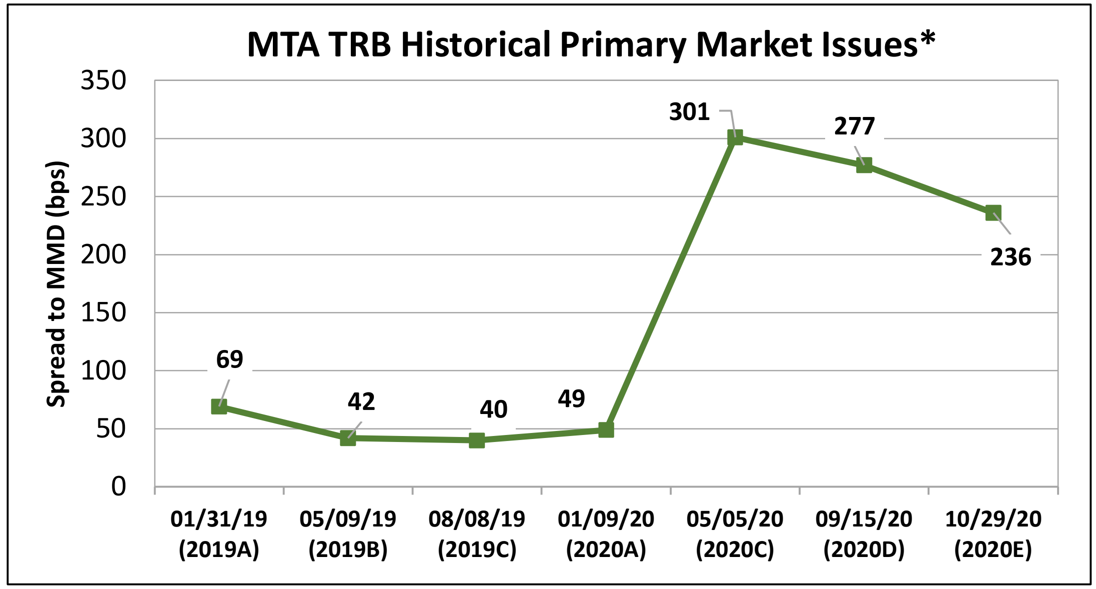


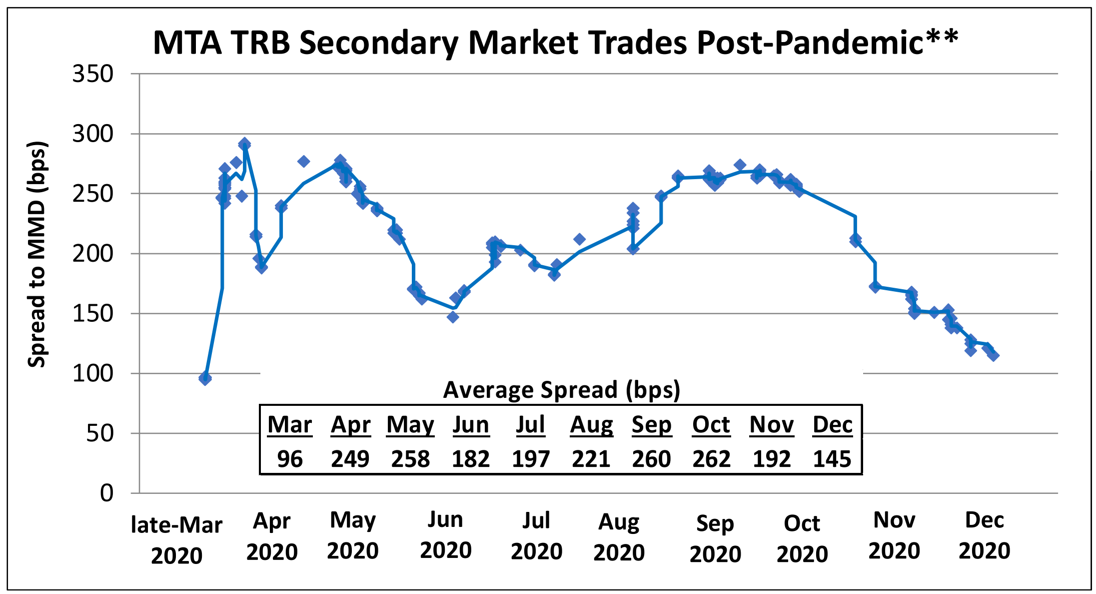
2020 Rates	Average	Low	High	1/2/2020	12/31/2020	Diff. (bps)
10-Yr MMD	0.99%	0.58%	2.79%	1.44%	0.71%	(73)
10-Yr Trsy	0.88%	0.51%	1.88%	1.88%	0.91%	(97)
30-Yr MMD	1.71%	1.27%	3.37%	2.07%	1.39%	(68)
30-Yr Trsy	1.55%	1.00%	2.36%	2.33%	1.65%	(69)

Note: MMD = Municipal Market Data
Sources: Bloomberg, The Bond Buyer, and Thompson Reuters as of December 31, 2020

TRB Credit Spreads during 2020

- Before the pandemic, MTA's TRBs priced at credit spreads to MMD ranging from 40 to 50 bps for long 5% coupon bonds
- TRB credit spreads deteriorated significantly with MTA's first TRB public offering after the pandemic in May pricing at over 300 bps (5.08% yield) for the 30-year maturity
- TRB credit spreads have since improved with the October transaction pricing at 236 bps spread (4.02% yield) for the 25-year maturity
- Secondary market trades for TRBs post-pandemic have been very volatile, with average spreads ranging from 96 bps in late-March to a high of 262 bps in October for long 5% coupon bonds
- Since the election, credit spreads have narrowed further with greater prospects for Federal relief to MTA
- In December, secondary market trades show average spreads of 145 bps for long 5% coupon bonds





Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
96	249	258	182	197	221	260	262	192	145

* 30-year estimated spreads

** Trades for 5% coupon bonds with maturities in 15-30 years and trade size of $1M or greater; Source: MSRB

2020 Transactions Summary - $10.5 billion

- **$8.939 billion New Money borrowing and to retire BANs**
  - $2.907 billion BANs for working capital for operating relief (placed with MLF)
  - $450.7 million BANs to retire existing BANs (placed with MLF)
  - $2.025 billion fixed rate bonds
  - $1.5 billion BANs for capital program projects (including $700 million toward State's $7.3 billion commitment for 2015-2019 Capital Program)
  - $1.812 billion long-term fixed rate bonds to retire BANs
  - $244.4 million TRB 2015X-3 issued for draw on MTA's Railroad Rehabilitation and Improvement Financing (RRIF) Program loan

- **$1.231 billion Refunding bonds**
  - Refunded approximately $791.1 million outstanding Floating Rate Tender Notes (FRNs) and Mandatory Put (Term Rate) bonds as well as approximately $330.3 million current refunding for certain bonds callable in November 2020 and provided proceeds for MTA's purchase of $162.7 million HRY Refunding Trust Obligations, Series 2020A

- **$326.1 million Remarketing of Tendered Obligations**
  - $125.0 million remarketed as SIFMA FRNs
  - $102.1 million remarketed as variable rate debt with bank support in weekly mode
  - $99.0 million remarketed and converted from SOFR FRN to fixed rate mode

Note:
1) Numbers may not total due to rounding

M/WBE and SDVOB Participation Results

- **For State Fiscal Year 2020-21, total M/WBE fees represents 22.44% and SDVOB represents 5.59% of total underwriting fees paid for transactions through December 31, 2020**

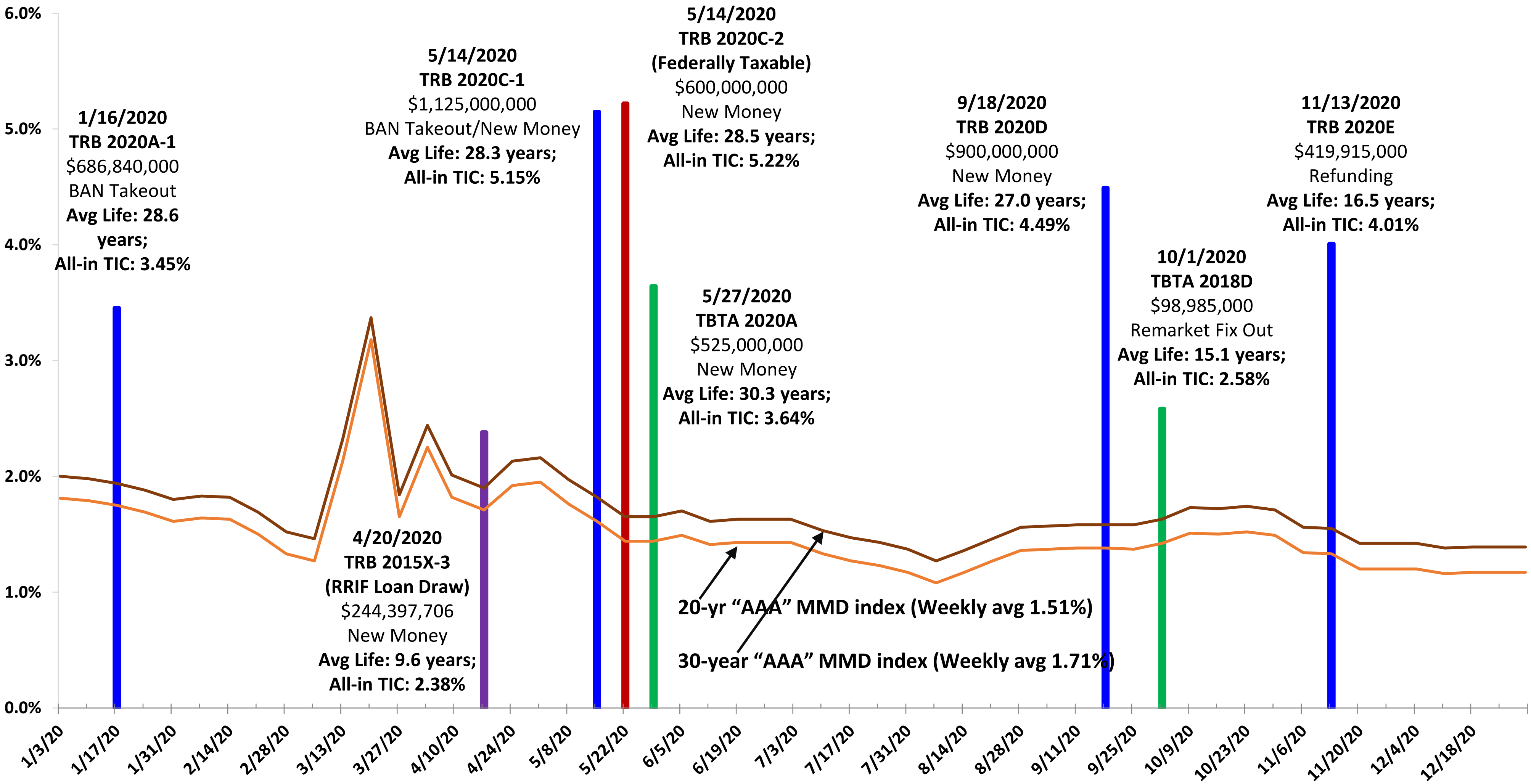
- **MTA has proven track record of meeting the 30% utilization goal for M/WBE and 6% utilization goal for SDVOB firms**

    - 3-year average of underwriting fees paid to M/WBE firms was 33.02% and to SDVOB firms was 6.67%

    - 5-year average of underwriting fees paid to M/WBE firms was 35.47% and to SDVOB firms was 6.43%

Notes:
1) Final earnings for M/WBE and SDVOB (% of total compensation, underwriters discount net of expenses) for State Fiscal Year 2020-21 will be reported to the Board in April 2021
2) Three- and Five-Year Averages noted above reflect transactions through December 31, 2020

2020 MTA Fixed Rate Bond Issuances



Note:
1) Fixed Rate TICs calculated as of issuance of Fixed Rate bonds

2020 Remarketing Transactions

Bond Series	Par Remarketed	Closing Date	Mode	FRN Rate/Index	Letter of Credit Expiration/ Put Date
TBTA 2005A	$ 102,070,000	1/24/2020	Weekly	NA	1/24/2024
TRB 2012G-3	75,000,000	2/3/2020	FRN	SIFMA+ 43 basis points	2/1/2025
TRB 2002D-2a-1	50,000,000	4/6/2020	FRN	SIFMA + 190 basis points	3/31/2021
TBTA 2018D	98,985,000	10/1/2020	Fixed	Converted from SOFR FRN to Fixed Rate	N/A
	$ 326,055,000				

Note:
1) During 2020, SIFMA averaged 0.55%

2020 Rating Agency Update

- **Rating Agency actions in 2020 reflected dramatic changes from the impact and uncertainties as a result of the pandemic**

- **Concerns reflected the ability for MTA to recover ridership and traffic levels, impact on dedicated taxes, short-term and long-term ability to reach structural balance, need for sustainable revenues, especially considering the ridership decline, debt service coverage on a net basis, and impact of a delayed capital program on the system**

- **MTA's Transportation Revenue Bond credit was downgraded seven times in 2020**
  - S&P Global downgraded Transportation Revenue Bonds twice, first on 3/24/20 from A to A- and next on 7/7/20 from A- to BBB+
  - Fitch downgraded Transportation Revenue Bonds twice, first on 4/2/20 from AA- to A+ and next on 10/23/20 from A+ to A-
  - Moody's downgraded Transportation Revenue Bonds twice, first on 4/16/20 from A1 to A2 and next on 9/11/20 from A2 to A3
  - KBRA downgraded Transportation Revenue Bonds once on 10/5/20 from AA+ to AA

- **MTA Finance staff conducted numerous conference calls with all four rating agencies, including arranging several briefings by the CFO and Budget team, in addition to its year-round regular communications and updates**

- **Below are ratings and outlooks as of 12/31/2020**

Credit	Moody's	S&P Global	Fitch Ratings	KBRA
Transportation Revenue	A3, neg outlook	BBB+, neg outlook	A-, neg outlook	AA, neg outlook
Dedicated Tax Fund	NAF	AA, neg outlook	AA, neg outlook	NAF
TBTA General Revenue	Aa3, neg outlook	AA-, neg outlook	AA-, stable outlook	AA, stable outlook
TBTA Subordinate Revenue	A1, neg outlook	A+, neg outlook	A+, stable outlook	AA-, stable outlook

* NAF – Not applied for

2020 Investor Outreach

- **Investor outreach and information requests were numerous**
  - **In addition to regularly planned updates to the Annual Disclosure Statement which follow publication of Financial Plans, MTA published 13 separate COVID-related updates on EMMA and investor website**
  - **MTA regularly included liquidity numbers in many disclosure updates and Official Statements**

- **Year-Round:** Investors may reach MTA Finance staff directly via email and phone – during 2020 MTA Finance responded to multiple information requests and held 1:1 calls with approximately 30 of its largest investors

- **May 2020:** MTA Finance recorded an investor roadshow and posted prior to its May Transportation Revenue transaction

- **May 2020:** MTA Finance held 1:1 calls with 18 institutional investors prior to its May TBTA General Revenue transaction (coordinated via the underwriter of the transaction)

- Additionally, MTA Finance participated in several investor conferences and webinars that were held virtually due to pandemic:
  - **June 2020:** MTA Finance participated in panel with the Bond Buyer webinar
  - **October 2020:** MTA Finance presented to the annual J.P. Morgan Public Finance Transportation & Utility Conference and hosted 20 virtual 1:1 meetings with institutional investors participating in the conference
  - **November 2020:** MTA Finance recorded a presentation for the BoA Securities New York Municipal Investor Conference

2021 Financing Quarterly Calendar

($ in millions)

Purpose	Q1	Q2	Q3	Q4	Total
New Money	$800	$400	$300	$300	**$1,800**
BAN Takeout	-	800	450	-	**1,250**
Remarketings	455	225	378	496	**1,554**
Current Refundings	-	-	396	-	**396**
Total	**$1,255**	**$1,425**	**$1,524**	**$796**	**$5,000**

All information in the 2021 Financing Quarterly Calendar is preliminary and subject to change

Notes:
1) New money obligations may be issued as bonds or BANs, new money and BAN takeout projections are based on forecasted debt in MTA 2021 Revised Proposed Budget and December Financial Plan 2020-2023, as adopted by MTA Board in December 2020
2) BAN takeout projections reflect the par outstanding for the BANs for that quarter
3) Remarketings reflect FRNs and Put Bonds (Term Rate) with mandatory put dates and VRDBS with liquidity facility expiration dates in 2021
4) Current refundings reflect Fixed rate TRB bonds and HRY Trust Obligations callable in November 2021

Appendix

1) Bond Financed Capital Investments in 2020
2) 2020 Cost of Issuance Summary

Bond Financed Capital Investments in 2020

MTA financed $4.1 billion in capital expenditures from bond proceeds in 2020[(1)]

- **New York City Transit/SIR/MTA Bus - $1,122 million**
  - Passenger Stations - $302.4 million
  - Mainline Track & Switch - $150 million
  - Traction Power - $88.7 million
  - Shops & Yards - $140.1 million
  - Subway Cars & Bus Purchase - $41.2 million
  - Signals and Communications - $163.4million
  - Line Structures/Equipment - $92.2 million
  - Depots - $30 million
  - Service Vehicles - $73.9 million
  - Miscellaneous - $39.8 million
- **Capital Construction - $1,808 million[(2)]**
  - East Side Access - $1,684 million
  - Second Avenue Subway Phase 1 & 2 - $21.4 million
  - Security/Police - $25.8 million
  - LIRR Expansion & Penn Station Access – $55.4 million
  - Penn Station Access - $18.6 million
- **Commuter Railroads - $595.5 million**
  - LIRR - $384.1 million, including Positive Train Control, Penn Station 33rd St Corridor, Track and Station Improvements
  - MNR - $210.9 million, including Positive Train Control, Station & Shop improvements, and Network Communication Equipment
- **Bridges and Tunnels - $605.8 million**
  - $343.4 million - various Structure Painting / Rehabs and Utilities
  - $208 million - Roadways and Decks
  - $54 million – Toll Plazas, including Open Road Tolling

Notes:
Specific items listed under subheaders reflect only major cost categories and projects, so may not add up to totals reflected
1) Includes expenditures on projects related to Superstorm Sandy
2) Includes Security, Police, Administration and Lower Manhattan Projects

2020 Cost of Issuance Summary

	New Money	BAN Takeout	Refunding	Remarketing	Total
NYS Bond Issuance Fee	-	-	-	N/A	-
Underwriter's Discount	$6,412,400	$12,516,448	$3,368,719	$737,247	$23,034,814
Bond Counsel	867,961	1,572,643	522,071	620,000	3,582,675
Disclosure Counsel	433,981	498,060	201,035	310,000	1,443,076
Financial Advisor Fee	314,272	270,762	192,966	-	778,000
Bond Insurance	-	1,984,783	-	-	1,984,783
Rating Agency Fees	904,506	773,520	491,314	247,500	2,416,840
Trustee	48,117	40,633	22,650	44,500	155,900
Printing and Distribution	17,912	13,547	7,156	11,550	50,165
Miscellaneous	661,901	36,046	68,925	114,000	880,872
Total	**$9,661,049**	**$17,706,443**	**$4,874,836**	**$2,129,797**	**$34,372,125**

Notes:
1) NYS Bond issuance fee (BIC) of $8.40 per $1,000 issued is charged for new money bonds and refunding bond transactions, but not on bond anticipations notes (new money proceeds) or remarketing transactions; BIC fees were waived by NYS DOB on all MTA bond transactions in 2020
2) Underwriter’s Discount includes fees paid to Underwriters, Underwriter’s Counsel, and other expenses
3) Financial Advisor Fee reflects a flat fee paid monthly for a 12-month period, rather than a per transaction cost; and fees paid for special assignments
4) Miscellaneous may include fees such as: Independent Engineer, Verification Agent, TM3 wire fees, Contingency, Insurance Cancelation, Green Bond Certification, and Bank Counsel Fees
5) Earnings for M/WBE and SDVOB (% of total compensation, underwriters discount net of expenses) for State Fiscal Year 2020-21 will be reported to the Board in April 2021
6) Numbers may not total due to rounding

DRAFT

Metropolitan Transportation Authority

(A Component Unit of the State of New York)

Independent Auditors' Review Report

Interim Financial Statements as of and
for the Nine-Month Period Ended September 30, 2020

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(A Component Unit of the State of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF SEPTEMBER 30, 2020 AND DECEMBER 31, 2019 AND FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

($ In Millions, except as noted)

FINANCIAL REPORTING ENTITY

The Metropolitan Transportation Authority ("MTA" or "MTA Group") was established under the New York Public Authorities Law and is a public benefit corporation and a component unit of the State of New York whose mission is to continue, develop, and improve public transportation and to develop and implement a unified public transportation policy in the New York metropolitan area. The financial reporting entity consists of subsidiaries and affiliates, considered component units of the MTA, because the Board of the MTA serves as the overall governing body of these related entities.

The Reporting entity includes:

(1) the Primary Government is comprised of the following:

- Metropolitan Transportation Authority Headquarters ("MTAHQ") provides support in budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services to the related groups listed below.
- The Long Island Rail Road Company ("MTA Long Island Rail Road") provides passenger transportation between New York City ("NYC") and Long Island.
- Metro-North Commuter Railroad Company ("MTA Metro-North Railroad") provides passenger transportation between NYC and the suburban communities in Westchester, Dutchess, Putnam, Orange, and Rockland counties in New York State ("NYS") and New Haven and Fairfield counties in Connecticut.
- Staten Island Rapid Transit Operating Authority ("MTA Staten Island Railway") provides passenger transportation on Staten Island.
- First Mutual Transportation Assurance Company ("FMTAC") provides primary insurance coverage for certain losses, some of which are reinsured, and assumes reinsurance coverage for certain other losses.
- MTA Construction and Development Company ("MTA Construction and Development"), formerly called MTA Capital Construction Company, provides oversight for the planning, design and construction of current and future major MTA system-wide expansion projects.
- MTA Bus Company ("MTA Bus") operates certain bus routes in areas previously served by private bus operators pursuant to franchises granted by the City of New York.
- MTAHQ, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, FMTAC, MTA Capital Construction, and MTA Bus, collectively are referred to herein as MTA. MTA Long Island Rail Road and MTA Metro-North Railroad are referred to collectively as the Commuter Railroads.
- New York City Transit Authority ("MTA New York City Transit") and its subsidiary, Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"), provide subway and public bus service within the five boroughs of New York City.
- Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") operates seven toll bridges, two tunnels, and the Battery Parking Garage, all within the five boroughs of New York City.

The Primary Government provides transportation services in the New York metropolitan area, operations of seven bridges and two tunnels within New York City and primary insurance coverage. The Primary Government engages in Business-Type Activities.

(2) Fiduciary Funds comprised of Pension and Other Employee Benefit Trust Funds:

- Pension Trust Funds:
  - MTA Defined Benefit Pension Plan
  - The Long Island Railroad Company Plan for Additional Pensions ("Additional Plan")
  - Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA Plan")
  - Metro-North Commuter Railroad Cash Balance Plan ("MNR Cash Balance Plan")

- Other Employee Benefit Trust Funds
  - MTA Other Postemployment Benefits Plan ("OPEB Plan")
  - Thrift Plan for Employees of the MTA, its Subsidiaries and Affiliates ("401 (k) Plan")

The financial results of the Primary Government are reported as consolidated financial statements.

OVERVIEW OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

This report consists of: Management's Discussion and Analysis ("MD&A"), Consolidated Interim Financial Statements, Fiduciary Funds Financial Statements, Notes to the Consolidated Interim Financial Statements, Required Supplementary Information, Supplementary Information - Combining Fiduciary Fund Financial Statements, and Supplementary Information.

Management's Discussion and Analysis

This MD&A provides a narrative overview and analysis of the financial activities of the Metropolitan Transportation Authority and its consolidated subsidiaries and affiliates (the "MTA" or "MTA Group") as of September 30, 2020 and December 31, 2019 and for the nine-month periods ended September 30, 2020 and 2019. For financial reporting purposes, the subsidiaries and affiliates of the MTA are blended component units. This management discussion and analysis is intended to serve as an introduction to the MTA Group's consolidated interim financial statements. It provides an assessment of how the MTA Group's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the MTA Group's overall financial position. It may contain opinions, assumptions, or conclusions by the MTA Group's management that must be read in conjunction with, and should not be considered a replacement for, the consolidated interim financial statements.

The Consolidated Interim Financial Statements

The Consolidated Interim Statements of Net Position, which provide information about the nature and amounts of resources with present service capacity that the MTA Group presently controls (assets), consumption of net assets by the MTA Group that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the MTA Group has little or no discretion to avoid (liabilities), and acquisition of net assets by the MTA Group that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position.

The Consolidated Interim Statements of Revenues, Expenses and Changes in Net Position, which provide information about the MTA's changes in net position for the period then ended and accounts for all of the period's revenues and expenses, measures the success of the MTA Group's operations during the year and can be used to determine how the MTA has funded its costs.

The Consolidated Interim Statements of Cash Flows, which provide information about the MTA Group's cash receipts, cash payments and net changes in cash resulting from operations, noncapital financing, capital and related financing, and investing activities.

The Fiduciary Funds Financial Statements

Fiduciary funds are used to account for resources held in a trustee capacity for the benefit of parties outside of a government entity. Fiduciary funds are not reported in the MTA's consolidated financial statements because the resources of those funds are not available to support the MTA's own programs. The MTA's fiduciary funds are collectively reported as Pension and Other Employee Benefit Trust Funds.

The Statements of Fiduciary Net Position presents financial information about the assets, liabilities, and the fiduciary net position held in trust of the fiduciary funds of the MTA.

The Statements of Changes in Fiduciary Net Position presents fiduciary activities of the fiduciary funds as additions and deductions to the fiduciary net position.

Notes to the Consolidated Interim Financial Statements

The notes provide information that is essential to understanding the consolidated interim financial statements, such as the MTA Group's accounting methods and policies, details of cash and investments, employee benefits, long-term debt, lease transactions, future commitments and contingencies of the MTA Group, and information about other events or developing situations that could materially affect the MTA Group's financial position.

Required Supplementary Information

The required supplementary information provides information about the changes in the net pension liability and net other postemployment benefits ("OPEB") liability, employer contributions for the OPEB and pension plans, actuarial assumptions used to calculate the net pension liability and net OPEB liability, historical trends, and other required supplementary information related to the MTA Group's cost-sharing multiple-employer defined benefit pension plans.

Supplementary Information - Combining Fiduciary Funds Financial Statements

The supplementary information combining fiduciary funds financial statements includes the combining statements of fiduciary net position and the combining statements of changes in fiduciary net position which provides financial information on each fiduciary fund in which the MTA is functioning as a trustee for another party. The MTA's fiduciary funds are categorized as Pension and Other Employee Benefit Trust Funds.

Supplementary Information

The supplementary information provides a series of reconciliations between the MTA Group's financial plan and the consolidated statements of revenues, expenses and changes in net position.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The following sections discuss the significant changes in the MTA Group's financial position as of September 30, 2020 and December 31, 2019 and for the nine-month periods ended September 30, 2020 and 2019. An analysis of major economic factors and industry trends that have contributed to these changes is provided. It should be noted that for purposes of the MD&A, the information contained within the summaries of the consolidated interim financial statements and the various exhibits presented were derived from the MTA Group's consolidated interim financial statements.

Total Assets and Deferred Outflows of Resources, Distinguishing Between Capital Assets, Other Assets and Deferred Outflows of Resources

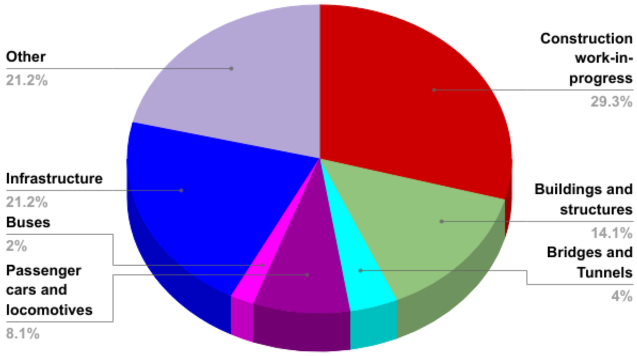
Capital assets include, but are not limited to: bridges, structures, tunnels, construction of buildings and the acquisition of buses, equipment, passenger cars, and locomotives.

Other assets include, but are not limited to: cash, restricted and unrestricted investments, State and regional mass transit taxes receivables, and receivables from New York State.

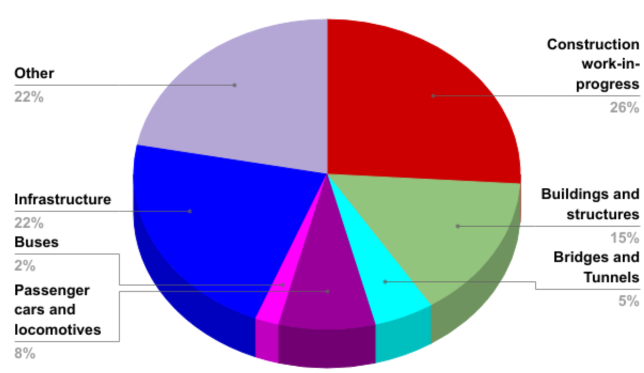
Deferred outflows of resources reflect: changes in fair market values of hedging derivative instruments that are determined to be effective, unamortized loss on refunding, deferred outflows from pension activities, and deferred outflows from OPEB activities.

(In millions)	September 30, 2020	December 31, 2019	Increase / (Decrease)
Capital assets — net (see Note 6)	$ 79,365	$ 77,502	$ 1,863
Other assets	13,802	8,857	4,945
Total Assets	93,167	86,359	6,808
Deferred outflows of resources	5,193	5,300	(107)
Total assets and deferred outflows of resources	$ 98,360	$ 91,659	$ 6,701

Capital Assets, Net - September 30, 2020



Capital Assets, Net - December 31, 2019



Significant Changes in Assets and Deferred Outflows of Resources Include:

September 30, 2020 versus December 31, 2019

- Net capital assets increased at September 30, 2020 by $1,863 or 2.4%. There was an increase in construction in progress of $3,044, an increase in infrastructure of $382, an increase in other capital assets of $339, an increase in passenger cars and locomotives of $152, an increase in bridges and tunnels of $57, an increase in buildings and structures of $43, an increase in buses of $29, and an increase in land of $24. The increases were offset by a net increase in accumulated depreciation of $2,207. See Note 6 to the MTA's Consolidated Interim Financial Statements for further information. Some of the more significant projects contributing to the net increase included:
  - Continued progress on the East Side Access, Second Avenue Subway and the subway action plan.
  - Infrastructure work including:
    - Repairs and improvements of all MTA Bridge and Tunnels' facilities.
    - Constructing of third track between Floral Park and Hicksville by MTA Long Island Railroad.
    - Improvements to MTA Long Island Railroad's road-assets, replacement of signal power lines, various right-of-way enhancements and upgrades of radio communications.
    - Continued improvements to MTA Metro-North Railroad stations, tracks and structures, power rehabilitation of substations, and security.
    - Subway and bus real-time customer information and communications systems.
    - Continued structural rehabilitation and repairs of the ventilation system at various facilities.
    - Continued improvements made to the East River Tunnel Fire and Life Safety project for 1st Avenue, Long Island City and construction of three Montauk bridges.
    - Continued passenger station rehabilitation for Penn Station and East Side Access Passenger station.
    - Ongoing work by MTA New York City Transit to make stations fully accessible and structurally reconfigured in accordance with the Americans with Disability Act ("ADA") standards.
- Other assets increased by $4,945 or 55.8%. The major items contributing to this change include:
  - An increase in current receivables of $1,434 primarily due to an increase from State and regional mass transit tax of $1,450, an increase in State and local operating assistance of $127, a decrease in Station Maintenance receivable of $42, an increase in Federal and State grants for capital projects of $22, a decrease in other receivable from New York City and New York State of $98, a decrease in Mortgage Recording tax of $9, and a net decrease in other current receivables of $16.
  - An increase in cash of $257 from net cash flow activities.
  - An increase in investments of $3,242 mainly due to the issuance of new debt.
  - A net increase in various other current and noncurrent assets of $12.
- Deferred outflows of resources decreased by $107 or 2.%. This was primarily due to a decrease in deferred outflows related to loss on debt refunding of $118, a decrease in deferred outflows related to other post-employment benefits of $23, a decrease in deferred outflows related to pensions of $45 and an increase in deferred outflows related to change in the fair value of derivative instruments of $79.

Total Liabilities and Deferred Inflows of Resources, Distinguishing Between Current Liabilities, Non-Current Liabilities and Deferred Inflows of Resources

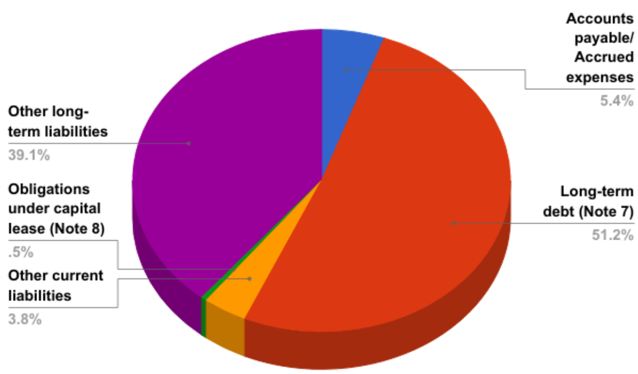
Current liabilities include: accounts payable, accrued expenses, current portions of long-term debt, capital lease obligations, pollution remediation liabilities, unredeemed fares and tolls, and other current liabilities.

Non-current liabilities include: long-term debt, capital lease obligations, claims for injuries to persons, post-employment benefits and other non-current liabilities.

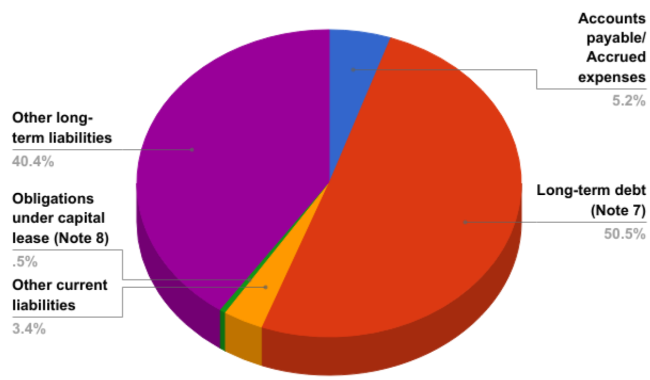
Deferred inflows of resources reflect unamortized gains on refunding, pension related deferred inflows, and deferred inflows from OPEB activities.

(In millions)	September 30, 2020	December 31, 2019	Increase / (Decrease)
Current liabilities	$ 8,357	$ 7,494	$ 863
Non-current liabilities	80,291	77,085	3,206
Total liabilities	88,648	84,579	4,069
Deferred inflows of resources	2,649	2,629	20
Total liabilities and deferred inflows of resources	$ 91,297	$ 87,208	$ 4,089

Total Liabilities - September 30, 2020



Total Liabilities - December 31, 2019



Significant Changes in Liabilities and Deferred Inflows of Resources Include:

September 30, 2020 versus December 31, 2019

- Current liabilities increased by $863 or 11.5%. The net decrease in current liabilities was primarily due to an increase in accrued expenses of $292, due to an increase in interest payable of $481, an increase in employee related accruals of $402 a decrease in capital accruals of $528, and a decrease in other and accrued expenses of $63. In addition, there was an increase in unearned revenue of $320, an increase in accounts payable due to vendors of $118, an increase in derivative fuel hedge liability of $21, an increase current portion of long term debt of $126, a decrease in current portion of obligations under capital lease of $10, and a net decrease in other current assets of $4.
- Non-current liabilities increased by $3,206 or 4.2%. This increase was mainly due to:
  - An increase in the non-current portion of long-term debt of $2,858 primarily due to 2020 bond issuances (See Note 7).
  - An increase in estimated liability arising from injuries to persons (Note 10) of $305 due to revised calculations of the workers' compensation reserve.
  - An increase in derivative liabilities of $75 resulting mainly from changes in market valuation and a reduction in the notional amount of derivative contracts.
  - A decrease in obligations under capital leases of $18.
  - A net decrease in other various non-current liabilities of $14.
- Deferred inflows of resources increased by $20 or 0.8%, due to gain on refunding of debt of $20.

Total Net Position, Distinguishing Between Net Investment in Capital Assets, Restricted Amounts, and Unrestricted Amounts

(In millions)	September 30, 2020	December 31, 2019	Increase / (Decrease)
Net investment in capital assets	$ 31,706	$ 31,147	$ 559
Restricted for debt service	1,713	554	1,159
Restricted for claims	247	219	28
Restricted for other purposes	1,102	1,207	(105)
Unrestricted	(27,705)	(28,676)	971
Total Net Position	$ 7,063	$ 4,451	$ 2,612

Significant Changes in Net Position Include:

September 30, 2020 versus December 31, 2019

At September 30, 2020, total net position increased by $2,612 or 58.7%, when compared with December 31, 2019. This change is a result of net non-operating revenues of $8,894 and appropriations, grants and other receipts externally restricted for capital projects of $2,440 offset by operating losses of $8,722.

The net investment in capital assets increased by $559 or 1.8%. Funds restricted for debt service, claims and other purposes increased by $1,082 or 54.6% in the aggregate, mainly due to scheduled debt service payments. Unrestricted net position increased by $971 or 3.4%.

Condensed Consolidated Interim Statement of Revenues, Expenses and Changes in Net Position

(In millions)	Nine-Month Period Ended September 30, 2020	Nine-Month Period Ended September 30, 2019	Increase / (Decrease)
Operating revenues			
Passenger and tolls	$ 3,194	$ 6,280	$ (3,086)
Other	344	466	(122)
Total operating revenues	3,538	6,746	(3,208)
Non-operating revenues			
Grants, appropriations and taxes	5,423	5,561	(138)
Other	4,755	748	4,007
Total non-operating revenues	10,178	6,309	3,869
Total revenues	13,716	13,055	661
Operating expenses			
Salaries and wages	4,651	4,719	(68)
Retirement and other employee benefits	2,577	2,319	258
Postemployment benefits other than pensions	501	483	18
Depreciation and amortization	2,226	2,135	91
Other expenses	2,305	2,613	(308)
Total operating expenses	12,260	12,269	(9)
Non-operating expenses			
Interest on long-term debt	1,280	1,089	191
Other net non-operating expenses	4	3	1
Total non-operating expenses	1,284	1,092	192
Total expenses	13,544	13,361	183
Gain / (Loss) before appropriations, grants and other receipts externally restricted for capital projects	172	(306)	478
Appropriations, grants and other receipts externally restricted for capital projects	2,440	1,881	559
Change in net position	2,612	1,575	1,037
Net position, beginning of period	4,451	3,953	498
Net position, end of period	$ 7,063	$ 5,528	$ 1,535

Revenues and Expenses, by Major Source:

Period ended September 30, 2020 versus 2019

- Total operating revenues decreased by $3,208 or 47.6%. The decrease was mainly due to the Stay At Home Executive Order issued by New York State governor in March in response to the COVID-19 pandemic. The decrease in fare revenue and toll revenue of $2,728 and $358 respectively reflects the ongoing impact of the COVID-19 pandemic resulting in a sharp drop in utilization of services . Other operating revenues decreased by $122 when compared with the same period in 2019 due to lower advertising revenues and lower paratransit reimbursement subsidy.
- Total non-operating revenues increased by $3,869 or 61.3%.
  - Total grants, appropriations, and taxes decreased by $138 primarily due to an increase in Mass Transportation operating assistance of $319, a decrease from New York City Assistance Fund of $104, an increase in Internet Sales Tax of $106, a decrease in Operating Assistance 18B program of $22, an increase in Mansion Tax of $138, a decrease in Urban Tax of $220, a decrease in Payroll Mobility Tax of $201, a decrease in Mass Transportation Trust Fund from New York State of $77, a decrease in Aid Trust subsidies of $61, and a decrease in Mortgage Recording tax of $16.
  - Other non-operating revenues increased by $4,007 primarily due to an increase in funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act of $4,010, an increase in subsidies from the Connecticut Department of Transportation for the MTA Metro-North Railroad of $94, a decrease in operating subsidies from New York City of $77 for MTA Bus and MTA Staten Island Railway, an increase in Station maintenance of $2, and a decrease in other net non-operating revenue of $22.
- Labor costs increased by $208 or 2.8%. The major changes within this category are:
  - Retirement and employee benefits increased by $258 based on changes in the actuarial estimates as a result of GASB 68.
  - Postemployment benefits other than pensions increased by $18 based on changes in the actuarial estimates as a result of GASB 75.
  - Salaries, wages and overtime decreased by $68 primarily due to lower overtime by the MTA New York City Transit.
- Non-labor operating costs decreased by $217 or 4.6%. The variance was primarily due to:
  - A decrease in paratransit service contracts of $117 due to lower paratransit trips resulting in lower expenses.
  - A decrease in material and supplies by $90, mainly due to revised maintenance and repairs requirements for transit and commuter systems.
  - A decrease in electric power of $45 and fuel of $48 mainly due to the Stay At Home Executive Order issued by New York State governor in March in response to the COVID-19 pandemic. This resulted in lower consumption due to operating on a reduced service schedule.
  - An increase in professional service contracts of $27 due to changes in consulting services requirements.
  - A net decrease in other various expenses of $49.
  - An increase in depreciation of $91 primarily due to assets placed in service in the current year.
  - An increase in claims arising from injuries to persons of $14 based on changes in estimated claim provisions.
- Total net non-operating expenses increased by $192 or 17.6%, mainly due to an increase in interest on long-term debt of $191.
- Appropriations, grants and other receipts externally restricted for capital projects increased by $559 or 29.7% mainly due to timing of requisitioning for Federal and State grants.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Economic Conditions

Metropolitan New York is the most transit-intensive region in the United States, and a financially sound and reliable transportation system is critical to the region's economic well-being. The MTA consists of urban subway and bus systems, suburban rail systems, and bridge and tunnel facilities, all of which are affected by many different economic forces. To achieve maximum efficiency and success in its operations, the MTA must identify economic trends and continually implement strategies to adapt to changing economic conditions.

Preliminary MTA system-wide utilization through the third quarter of 2020 decreased substantially relative to 2019, with ridership down by 1,182.5 million trips (62.0%). The effective shut-down of the metropolitan area in response to the COVID-19 pandemic has resulted in a severe decline in the utilization of MTA services that began to turn around as the region moved through the State-mandated re-opening phases. During the first nine months of 2020 compared with 2019, MTA New York City Transit subway ridership declined by 757.5 million trips (60.0%), MTA New York City Transit bus declined by 277.6 million trips (66.4%), MTA Long Island Rail Road ridership declined by 43.7 million trips (64.2%), MTA Metro-North Railroad declined by 42.3 million trips (65.5%), MTA Bus declined by 59.3 million trips (65.7%), and MTA Staten Island Railway declined by 2.1 million trips (63.6%). Vehicle traffic at MTA Bridges and Tunnels facilities through the third quarter decreased by 62.1 million crossings (25.1%) compared with 2019 levels. From March 20, 2020 through the end of August, entry onto most buses was only permitted through the rear door only, and fares were not collected, and in these instances ridership was not counted. The 2019 New York State Budget approved congestion pricing in Manhattan south of 60th Street, which is scheduled to go into effect in 2021 but awaits approval by the Federal Highway Administration to proceed—this will likely impact ridership and vehicle crossings once implemented.

Seasonally adjusted non-agricultural employment in New York City for the third quarter was lower in 2020 than in 2019 by 679.0 thousand jobs (14.6%). On a quarter-to-quarter basis, New York City employment lost 196.2 thousand jobs, the third consecutive quarterly decline after thirty-seven consecutive quarterly increases—the prior decline occurred in the third quarter of 2010.

National economic growth, as measured by Real Gross Domestic Product ("RGDP"), increased at an annualized rate of 33.1% in the third quarter of 2020, according to the most recent advance estimate released by the Bureau of Economic Analysis; in the second quarter, RGDP declined 31.4 percent. The increase in third quarter GDP reflected increases in personal consumption expenditures ("PCE"), private inventory investment, exports, nonresidential fixed investment, and residential fixed investment that were partly offset by decreases in federal government spending (reflecting fewer fees paid to administer the Paycheck Protection Program) and state and local government spending. Imports, which are a subtraction in the calculation of GDP, increased. The increase in PCE reflected increases in services, led by health care as well as food services and accommodations, and goods, led by motor vehicles and parts as well as clothing and footwear. The increase in private inventory investment primarily reflected an increase in retail trade, led by motor vehicle dealers. The increase in exports primarily reflected an increase in goods led by automotive vehicles, engines, and parts as well as capital goods. The increase in nonresidential fixed investment primarily reflected an increase in equipment, led by transportation equipment. The increase in residential fixed investment primarily reflected an increase in brokers' commissions and other ownership transfer costs.

The New York City metropolitan area's price inflation, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was higher than the national average in the third quarter of 2020, with the metropolitan area index increasing 1.68% while the national index increased 1.22%, when compared with the third quarter of 2019. Regional prices for energy products declined 8.28%, while the national price of energy products declined 9.32%. In the metropolitan area, the CPI-U exclusive of energy products increased by 2.29%, while nationally, inflation exclusive of energy products increased 2.02%. The spot price for New York Harbor conventional gasoline decreased even further, by 30.4%, from an average price of $1.72 per gallon to an average price of $1.23 per gallon between the third quarters of 2019 and 2020.

The Federal Open Market Committee ("FOMC") has left unchanged its target for the Federal Funds rate at 0.00% to 0.25%, since its last rate reduction on March 15, 2020. The COVID-19 pandemic is causing tremendous human and economic hardship. Economic activity and employment have continued to recover but remain well below levels from the beginning of the year. Weaker demand and earlier declines in oil prices have been holding down consumer price inflation. Overall financial conditions remain accommodative, in part reflecting policy measures to support the economy and the flow of credit. The path of the economy will depend significantly on the course of the virus as the ongoing public health crisis will continue to weigh on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term. The FOMC seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. With inflation running persistently below this longer run goal, the Committee will aim to achieve inflation moderately above 2 percent for some time so that inflation averages 2 percent over time and longer-term inflation expectations remain well anchored at 2 percent. The FOMC expects to maintain an accommodative stance of monetary policy until these outcomes are achieved, and expects to maintain this target range until labor market conditions have reached levels consistent with the FOMC's assessments of maximum employment and inflation has risen to 2 percent and is on track to moderately exceed 2 percent for some time. In addition, over coming months the Federal Reserve will increase its holdings of Treasury securities and agency mortgage-backed securities at least at the current pace to sustain smooth market functioning and help foster accommodative financial conditions, thereby supporting the flow of credit.

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act to blunt the impact of the economic downturn set in motion by the COVID-19 pandemic by dedicating government funding to support large and small businesses, individuals and families, gig-economy workers and independent contractors, and hospitals. Key aspects of the CARES Act include a $367 billion loan and grant program for small businesses, of which $349 billion covers the Paycheck Protection Program (PPP), used for small businesses to maintain their payrolls; expansion of unemployment benefits to include people furloughed, gig-economy workers, and freelancers, with benefits increased by $600 per week for a period of four months; direct stimulus payments to families of $1,200 per adult and $500 per child for households earning up to $75,000 annually; over $130 billion to hospitals, health care systems, and health care providers; $500 billion fund for loans to corporations; cash grants of $25 billion for airlines, $4 billion for air cargo carriers, and $3 billion for airline contractors for payroll support; a ban on stock buybacks for large companies receiving government loans for one year beyond the term of assistance, and; $150 billion to state and local governments. At $2.3 trillion, the CARES Act dwarfs the next largest rescue package in U.S. history, the $831 billion 2009 Recovery Act. For the MTA, the CARES Act provided $4.0 billion in funding, which has assisted in covering operating losses through late July.

The influence of the Federal Reserve's monetary policy on the mortgage market is a matter of interest to the MTA, since variability of mortgage rates can affect the number of real estate transactions and thereby impact receipts from the Mortgage Recording Tax ("MRT") and Urban Tax, two important sources of MTA revenue. Real estate transaction activity has also been severely affected by social distancing during the COVID-19 pandemic. Mortgage Recording Tax collections through the third quarter of 2020 were lower than through the third quarter of 2019 by $5.3 million (1.6%), although the unfavorable change was limited to the second quarter of the year; receipts in the second quarter of 2020 were $43.6 million (32.3%) lower than receipts from the first quarter of 2020, while receipts for the third quarter were $19.8 million (21.7%) higher than receipts from the second quarter of 2020. Average monthly receipts in the third quarter of 2020 were $26.2 million (41.1%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts—which are based on commercial real estate transactions and mortgage recording activity within New York City, and can vary significantly from quarter to quarter based on the timing of exceptionally high-priced transactions—were $218.9 million (42.5%) lower through the third quarter of 2020 than receipts through the third quarter of 2019; receipts in the third quarter of 2020 were $11.0 million (14.4%) lower than receipts from the second quarter of 2020. Average monthly receipts in the third quarter of 2020 were $40.7 million (55.3%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Results of Operations

MTA Bridges and Tunnels - For the nine months ended September 30, 2020, operating revenue decreased by $360 as compared to the nine months ended September 30, 2019. Toll revenue through September 2020 totaled $1,191, which was $358, or 23.1%, less than the nine months of 2019. Paid traffic for the third quarter of 2020 totaled 71.8 million crossings, which was 14.3 million, or 16.7% lower than the third quarter of 2019. The decline is due to the Stay At Home Executive Order issued by the Governor in March in response to the COVID-19 pandemic. Paid traffic has seen a rebound in each successive month within the third quarter; July 2020 vs July 2019 saw a 19.2% decrease, August 2020 vs August 2019 saw a 17.0% decrease, while September 2020 vs September 2019 saw a 13.7% decrease. As we enter further phases of the COVID-19 recovery plan B&T should continue to see improvements in its paid traffic performance moving forward.

MTA New York City Transit - For the period ended September 30, 2020, revenue from fares was $1,509, a decrease of $1,914, or 55.9%, compared to September 30, 2019. For the same comparative period, total operating expenses were higher by $35, or 0.4%, totaling $8,037 for the nine months ended September 30, 2020.

MTA Long Island Rail Road – Total operating revenue for the period ended September 30, 2020 was $248, which was lower by $357, or 59.0%, compared to nine months ended September 30, 2019. For the same comparative period, operating expenses were lower by $24, or 1.7%, totaling $1,400 for the nine months ended September 30, 2020.

MTA Metro-North Railroad – For the nine months ended September 30, 2020, operating revenues totaled $230, a decrease of $373, or 61.8%, compared to September 30, 2019. During the same period, operating expenses decreased by $50, or 4.3%, to $1,117. For the nine months ended September 30, 2020, fare revenue decreased by 63.5% to $205 compared to September 30, 2019. Passenger fares accounted for 89.2% and 93.1% of operating revenues in 2020 and 2019, respectively. The remaining revenue represents collection of rental income from stores in and around passenger stations and revenue generated from advertising.

The MTA receives the equivalent of four quarters of Metropolitan Mass Transportation Operating Assistance ("MMTOA") receipts each year, with the state advancing the first quarter of each succeeding calendar year's receipts in the fourth quarter of the current year. This results in little or no Metropolitan Mass Transportation Operating Assistance receipts being received during the first quarter of each calendar year. The MTA has made other provisions to provide for cash liquidity during this period. During March 2016, the State appropriated $1.6 billion in MMTOA funds. There has been no change in the timing of the State's payment of, or MTA's receipt of, Dedicated Mass Transportation Trust Fund ("MTTF") receipts, which MTA anticipates will be sufficient to make monthly principal and interest deposits into the Debt Service Fund for the Dedicated Tax Fund Bonds. The total MRT for the period ended September 30, 2020 was $324 compared to $340 at September 30, 2019.

Capital Programs

At September 30, 2020, $1,857 had been committed and $267 had been expended for the 2020-2024 MTA Bridges and Tunnels Capital Program, $26,732 had been committed and $15,752 had been expended for the combined 2015-2019 MTA Capital Programs and the 2015-2019 MTA Bridges and Tunnels Capital Program, and $28,523 had been committed and $25,649 had been expended for the combined 2010-2014 MTA Capital Programs and the 2010-2014 MTA Bridges and Tunnels Capital Program, and $24,104 had been committed and $23,845 had been expended for the combined 2005-2009 MTA Capital Programs and the 2005-2009 MTA Bridges and Tunnels Capital Program.

The MTA Group has ongoing capital programs, which except for MTA Bridges and Tunnels are subject to the approval of the Metropolitan Transportation Authority Capital Program Review Board ("CPRB"), and are designed to improve public transportation in the New York Metropolitan area.

2020-2024 Capital Program – Capital programs totaling $54,799 covering the years 2020-2024 for: (1) the commuter railroad operations of the MTA conducted by MTA Long Island Rail Road and MTA Metro-North Railroad (the "2020–2024 Commuter Capital Program"), (2) the transit system operated by MTA New York City Transit and its subsidiary, MaBSTOA, the MTA Bus Company, and the rail system operated by MTA Staten Island Railway (the "2020–2024 Transit Capital Program") were originally approved by the MTA Board on September 25, 2019. The capital programs were subsequently submitted to the Capital Program Review Board ("CPRB") on October 1, 2019 and approved on January 1, 2020. The capital program for the toll bridges and tunnels operated by MTA Bridges and Tunnels (the "2020–2024 MTA Bridges and Tunnels Capital Program") was approved by the MTA Board on September 25, 2019 and was not subject to CPRB approval.

The combined funding sources for the 2020–2024 MTA Capital Programs and the 2020-2024 MTA Bridges and Tunnels Capital Program, include $15,000 in Central Business District tolling sources, $10,000 in new revenue sources, $9,792 in MTA bonds, $3,327 in MTA Bridges and Tunnels bonds, $10,680 in Federal funds, $3,000 in State of New York funding, and $3,000 in City of New York funding.

2015-2019 Capital Program — Capital programs covering the years 2015-2019 for: (1) the commuter railroad operations of the MTA conducted by MTA Long Island Rail Road and MTA Metro-North Railroad (the "2015–2019 Commuter Capital Program"), (2) the transit system operated by MTA New York City Transit and its subsidiary, MaBSTOA, the MTA Bus Company, and the rail system operated by MTA Staten Island Railway (the "2015–2019 Transit Capital Program") were originally approved by the MTA Board in September 2014. The capital programs were subsequently submitted to the Capital Program Review Board ("CPRB") in October 2014. This plan was disapproved by the CPRB, without prejudice, in October 2014. The capital program for the toll bridges and tunnels operated by MTA Bridges and Tunnels (the "2015–2019 MTA Bridges and Tunnels Capital Program") was approved by the MTA Board in September 2014 and was not subject to CPRB approval.

On April 20, 2016, the MTA Board approved revised capital programs for the years covering 2015-2019. The revised capital programs provided for $29,456 in capital expenditures. On May 23, 2016, the CPRB deemed approved the revised 2015-2019 Capital Programs for the Transit and Commuter systems as submitted. The revised 2015-2019 MTA Bridges and Tunnels Capital Program, was approved by the MTA Board on April 20, 2016. On February 23, 2017, the MTA Board approved a revision to the CPRB portion of the capital programs for the years covering 2015-2019, adding $119 transferred from prior capital programs to support additional investment projects. On March 30, 2017, the CPRB deemed approved the revised 2015-2019 Capital Programs for the Transit and Commuter systems as submitted. On May 24, 2017, the MTA Board approved a full amendment to the 2015-2019 Capital Programs to reflect updated project estimates and rebalanced programs to address budgetary and funding needs of priority projects that include Second Avenue Subway Phase 2, MTA Long Island Rail Road regional mobility, station enhancement work, investments at Penn Station, and new Open Road Tolling at MTA Bridges and Tunnels. On July 31, 2017, the CPRB deemed approved the revised 2015-2019 Capital Programs for the Transit and Commuter systems totaling $29,517, as submitted. The revised 2015-2019 MTA Bridges and Tunnels Capital Program totaling $2,940, as approved by the MTA Board in May 2017, was not subject to CPRB approval. On December 13, 2017, the MTA Board approved an amendment adding $349 to the 2015-2019 Capital Program for the Transit system in support of the NYC Subway Action Plan. On April 25, 2018, the MTA Board approved a full amendment to increase the 2015-2019 Capital Programs to $33,270 reflecting updated project cost estimates, emerging new needs across the agencies, and reallocation of funds within the East Side Access and Regional Investment programs, among others. On May 31, 2018, the CPRB deemed approved the revised 2015-2019 Capital Programs for the Transit and Commuter systems totaling $30,334, as submitted. The revised 2015-2019 MTA Bridges and Tunnels Capital Program totaling $2,936, as approved by the MTA Board in April 2018, was not subject to CPRB approval. On September 25, 2019, the MTA Board approved a full amendment to increase the 2015-2019 Capital Programs to $33,913 reflecting updated project timing and cost estimates, new needs, and changing priorities. On February 21, 2020, the CPRB deemed approved the revised 2015-2019 Capital Programs for the Transit and Commuter systems totaling $30,977, as submitted. The revised 2015-2019 MTA Bridges and Tunnels Capital Program totaling $2,936, as approved by the MTA Board in September 2019, was not subject to CPRB approval.

By September 30, 2020, the revised 2015-2019 Capital Programs provided $33,913 in capital expenditures, of which $16,742 relates to ongoing repairs of, and replacements to, the transit system operated by MTA New York City Transit and MaBSTOA and the rail system operated by MTA Staten Island Railway; $6,096 relates to ongoing repairs of, and replacements to, the commuter system operated by MTA Long Island Rail Road and MTA Metro-North Railroad; $7,520 relates to the expansion of existing rail networks for both the transit and commuter systems to be managed by MTA Capital Construction; $243 relates to Planning and Customer Service; $376 relates to MTA Bus Company initiatives; and $2,936 in capital expenditures for ongoing repairs of, and replacements to, MTA Bridges and Tunnels facilities.

The combined funding sources for the revised 2015–2019 MTA Capital Programs and the 2015-2019 MTA Bridges and Tunnels Capital Program, include $8,474 in MTA bonds, $2,936 in MTA Bridges and Tunnels dedicated funds, $9,064 in State of New York funding, $7,445 in Federal funds, $2,667 in City of New York funding, $2,145 in pay-as-you-go ("PAYGO") capital, $959 from asset sale/leases, and $223 from other sources.

2010-2014 Capital Program — Capital programs covering the years 2010-2014 for: (1) the commuter railroad operations of the MTA conducted by MTA Long Island Rail Road and MTA Metro-North Railroad (the “2010–2014 Commuter Capital Program”), (2) the transit system operated by MTA New York City Transit and its subsidiary, MaBSTOA, the MTA Bus Company, and the rail system operated by MTA Staten Island Railway (the “2010–2014 Transit Capital Program”) were originally approved by the MTA Board in September 2009. The capital programs were subsequently submitted to the CPRB in October 2009.This plan was disapproved by the CPRB, without prejudice, in December 2009 allowing the State Legislature to review funding issues in their 2010 session. The capital program for the toll bridges and tunnels operated by MTA Bridges and Tunnels (the “2010–2014 MTA Bridges and Tunnels Capital Program”) was approved by the MTA Board in September 2009 and was not subject to CPRB approval. The MTA Board approved the revised plan for the Transit and Commuter systems on April 28, 2010 and CPRB approval of the five-year program of projects was obtained on June 1, 2010. The approved CPRB program fully funded only the first two years (2010 and 2011) of the plan, with a commitment to come back to CPRB with a funding proposal for the last three years for the Transit and Commuter Programs. On December 21, 2011, the MTA Board approved an amendment to the 2010-2014 Capital Program for the Transit, Commuter, and Bridges and Tunnels systems that fund the last three years of the program through a combination of self-help (efficiency improvements and real estate initiatives), participation by our funding partners, and innovative and pragmatic financing arrangements. On March 27, 2012, the CPRB deemed approved the amended 2010-2014 Capital Programs for the Transit and Commuter systems as submitted.

On December 19, 2012, the MTA Board approved an amendment to the 2010-2014 Capital Programs for the Transit, Commuter, and Bridges and Tunnels systems to add projects for the repair/restoration of MTA agency assets damaged as a result of Superstorm Sandy, which struck the region on October 29, 2012. On January 22, 2013, the CPRB deemed approved the amended 2010-2014 Capital Programs for the Transit and Commuter systems as submitted. On July 22, 2013, the MTA Board approved a further amendment to the 2010-2014 Capital Programs for the Transit, Commuter, and Bridges and Tunnels systems to include specific revisions to planned projects and to include new resilience/mitigation initiatives in response to Superstorm Sandy.

On August 27, 2013, the CPRB deemed approved those amended 2010-2014 Capital Programs for the Transit and Commuter systems as submitted. On July 28, 2014, the MTA Board approved an amendment to select elements of the Disaster Recovery (Sandy) and MTA New York City Transit portions of the 2010-2014 Capital Programs, and a change in the funding plan. On September 3, 2014, the CPRB deemed approved the amended 2010-2014 Capital Programs for the Transit and Commuter systems as submitted.

In May 2017, the MTA Board approved an amendment to the 2010-2014 Capital Programs to reflect scope transfers and consolidation between the approved capital programs, and to reflect reductions to the MTA Superstorm Sandy capital projects to match current funding assumptions. This amendment, which provided $29,237 in capital expenditures for the Transit and Commuter systems, was deemed approved by the CPRB as submitted on July 31, 2017. The amended 2010-2014 MTA Bridges and Tunnels Capital Program, which provided $2,784 in capital expenditures, was not subject to CPRB approval. On September 25, 2019, the MTA Board approved an amendment to decrease the 2010-2014 Capital Programs to $31,704 reflecting administrative budget adjustments and updated project cost and timing assumptions. In February 21, 2020, the CPRB deemed approved the revised 2010-2014 Capital Programs for the Transit and Commuter systems totaling $28,917, as submitted. The revised 2010-2014 MTA Bridges and Tunnels Capital Program totaling $2,787, as approved by the MTA Board in September 2019, was not subject to CPRB approval.

By September 30, 2020, the 2010-2014 MTA Capital provided $31,704 in capital expenditures, of which $11,365 relates to ongoing repairs of, and replacements to, the transit system operated by MTA New York City Transit and MaBSTOA and the rail system operated by MTA Staten Island Railway; $3,925 relates to ongoing repairs of, and replacements to, the commuter system operated by MTA Long Island Rail Road and MTA Metro-North Railroad; $5,861 relates to the expansion of existing rail networks for both the transit and commuter systems to be managed by MTA Capital Construction; $254 relates to a multi-faceted security program including MTA Police Department; $223 relates to MTA Interagency; $297 relates to MTA Bus Company initiatives; $2,022 relates to the ongoing repairs of, and replacements to, MTA Bridges and Tunnels facilities; and $7,757 relates to Superstorm Sandy recovery/mitigation capital expenditures.

The combined funding sources for the CPRB-approved 2010–2014 MTA Capital Programs and 2010–2014 MTA Bridges and Tunnels Capital Program include $11,635 in MTA Bonds, $2,022 in MTA Bridges and Tunnels dedicated funds, $7,377 in Federal Funds, $132 in MTA Bus Federal and City Match, $719 from City Capital Funds, and $1,293 from other sources. Also included is $770 in State Assistance funds added to re-establish a traditional funding partnership. The funding strategy for Superstorm Sandy repair and restoration assumes the receipt of $6,697 in insurance and federal reimbursement proceeds (including interim borrowing by MTA to cover delays in the receipt of such proceeds), $18 in pay-as-you-go capital, supplemented, to the extent necessary, by external borrowing of up to $1,042 in additional MTA and MTA Bridges and Tunnels bonds.

2005-2009 Capital Program — Capital programs covering the years 2005-2009 for: (1) the commuter railroad operations of the MTA conducted by MTA Long Island Rail Road and MTA Metro-North Railroad (the “2005–2009 Commuter Capital Program”), (2) the transit system operated by MTA New York City Transit and its subsidiary, MaBSTOA, the MTA Bus Company, and the rail system operated by MTA Staten Island Railway (the “2005–2009 Transit Capital Program”) were originally approved by the MTA Board in April 2005 and subsequently by the CPRB in July 2005. The capital program for the toll bridges and tunnels operated by MTA Bridges and Tunnels (the “2005–2009 MTA Bridges and Tunnels Capital Program”) was approved by the

MTA Board in April 2005 and was not subject to CPRB approval. The 2005–2009 amended Commuter Capital Program and the 2005–2009 Transit Capital program (collectively, the "2005–2009 MTA Capital Programs") were last amended by the MTA Board in July 2008. This latest 2005-2009 MTA Capital Program amendment was resubmitted to the CPRB for approval in July 2008, and was approved in August 2009.

As last amended by the MTA Board, the 2005–2009 MTA Capital Programs and the 2005–2009 MTA Bridges and Tunnels Capital Program, provided for $23,717 in capital expenditures. By March 31, 2020, the 2005-2009 MTA Capital Programs budget increased by $692 primarily due to the receipt of new American Recovery and Reinvestment Act ("ARRA") funds and additional New York City Capital funds for MTA Capital Construction work still underway. Of the $24,409 now provided in capital expenditures, $11,516 relates to ongoing repairs of, and replacements to the transit system operated by MTA New York City Transit and MaBSTOA and the rail system operated by MTA Staten Island Railway; $3,727 relates to ongoing repairs of, and replacements to, the commuter system operated by MTA Long Island Rail Road and MTA Metro-North Railroad; $166 relates to certain interagency projects; $7,721 relates generally to the expansion of existing rail networks for both the transit and commuter systems to be managed by the MTA Capital Construction Company (including the East Side Access, Second Avenue Subway and No.7 subway line) and a security program throughout MTA's transit network; $1,127 relates to the ongoing repairs of, and replacements to, bridge and tunnel facilities operated by MTA Bridges and Tunnels; and $152 relates to capital projects for the MTA Bus.

The combined funding sources for the MTA Board-approved 2005–2009 MTA Capital Programs and 2005–2009 MTA Bridges and Tunnels Capital Program include $11,006 in MTA and MTA Bridges and Tunnels Bonds (including funds for LaGuardia Airport initiative), $1,450 in New York State general obligation bonds approved by the voters in the November 2005 election, $7,827 in Federal Funds, $2,838 in City Capital Funds, and $1,288 from other sources.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The 2020 MTA July Financial Plan

The July Financial Plan (the "July Plan") updates the February Financial Plan (the "February Plan"), which projected cash balances of $134 in 2019, $81 in 2020, $273 in 2021, and $157 in 2022, with a deficit of $130 in 2023. The February Plan also reflected significant favorable impacts of $1.6 billion in estimated savings from the MTA Transformation Plan. The February Plan was based on three key interrelated elements: (i) fare and toll price increases which net 4% yield in annual revenue in both 2021 and 2023; (ii) annually recurring cost reduction and containment targets that resulted in annual savings of almost $2.8 billion per year by 2023; and (iii) maintaining major on-going initiative investments for the MTA Long Island Rail Road ("Forward" plan , the "Bus Plans" at MTA New York City Transit and MTA Bus, the MTA Metro-North Railroad Way Ahead" plan, and the Subway Action Plan for MTA New York City Transit.

The COVID-19 pandemic has and is expected to further severely impact the MTA's finances. Over the July Plan period, the impact of the pandemic is projected to adversely affect the MTA's finances by $16.2 billion with farebox and toll revenues down a combined $10.3 billion, advertising and rental income down $397, expenses $2.7 billion higher, and subsidies 6.9 billion lower. The Cares Act funds of $4 billion partially offset these losses.

The July Plan includes $1.75 billion in savings from the current Budget Reduction Program, $1.85 billion in savings from the existing Transformation program, and $153 in savings from MTA-wide hiring freeze. Beyond the Coronavirus impact, changes since the February Plan include:

- Changes and re-estimates improving financial results over the July Plan period (2020-2024): assumed receipt of additional Federal Coronavirus aid - $3.9 billion; lower debt service costs - $585; savings from lower electric power and fuel rates - $191; and savings from hiring freeze - $137.
- Changes and re-estimates improving financial results over the July Plan period (2020-2024): lower revenue from proposed fare and toll increases - $190; higher expenses for Juneteenth holiday - $128; higher operating capital - $89; higher expenses for technology enhancements - $85; higher expenses for pension - $48; lower savings from revised timing of Transformation Plan - $32; higher expenses for maintenance - $29; and repayment of revolving bank line of credit - $300.

More detailed information on the July Plan can be found in the MTA 2021 Preliminary Budget July Financial Plan 2021-2024 at www.MTA.info.

Impacts from Global Coronavirus Pandemic

On March 12, 2020, the World Health Organization declared the current novel coronavirus ("COVID-19") outbreak to be a pandemic in the face of the global spread of the virus. By order of Governor Cuomo ("New York State on PAUSE"), effective March 2020, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. The impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic resulted in a severe decline in the utilization of MTA services, dramatic declines in MTA public transportation system ridership and fare revenues, and MTA Bridge and Tunnel crossing traffic and toll revenues. Although certain restrictions have been subsequently lifted, it is expected that limitations will remain in place for some time.

- ***Ridership and Traffic Update.*** Day-by-day ridership on MTA facilities continues to be dramatically below 2019 levels. As of October 22, 2020, when compared to the equivalent day in 2019, ridership is down 70 percent on the subways, 57 percent for combined MTA New York City Transit and MTA Bus, 77 percent on MTA Metro-North Railroad, and 72 percent on the MTA Long Island Rail Road. Traffic crossings at MTA Bridges and Tunnels facilities are down by an estimated 14% compared to 2019 with an estimated traffic volume of 845,064.

- ***Federal Aid Status (CARES Act).*** On June 25, 2020, FTA approved an amendment to the initial CARES Act grant adding approximately $98 million in additional formula grant allocations to MTA for a CARES Act grant total of approximately $4 billion. As of August 19, 2020, a total of $4.010 billion has been released to MTA for operating assistance that occurred from January 20, 2020 through July 31, 2020. The MTA has received all CARES Act funding as provided in the first congressional relief package.

- ***Additional Federal Aid Status.*** The Health and Economic Recovery Omnibus Emergency Solutions Act ("HEROES" Act) passed the U.S. House of Representatives on May 25, 2020. Such aid would be supplemental to the $4.010 billion approved in the CARES Act. The HEROES Act would provide an additional $3.9 billion in federal funding requested by MTA to cover the remaining estimated operating losses in 2020 only as documented in the July 2020 McKinsey Report. McKinsey & Company was contracted by MTA to analyze the potential impact of the COVID-19 pandemic on MTA's 2020 calendar year revenues. In October 2020, the House of Representatives passed a revised version of the HEROES Act, which would provide transit agencies with another $32 billion in operating assistance. Negotiations on another COVID-19 stimulus bill are on hold. As of the date of this report, the U.S. Senate has not acted on the HEROES Act.

- ***MTA Liquidity Resources.*** As of October 19, 2020, MTA currently has liquidity resources, consisting of a current running cash balance, internal available flexible funds, OPEB resources and commercial bank lines of credit plus interest earnings totaling $1.045 billion (total commercial bank lines of credit are $1.852 billion, of which $484 million have been drawn by MTA, with $186 of that remaining unspent, together with $1.666 billion undrawn). On July 23, 2020, after successful closing of the ESD Series 2020C transaction the undrawn balance of existing lines of credit increased by $518 million to $1.666 billion.

- ***Municipal Liquidity Facility.*** On June 4, 2020, New York State designated the MTA as an eligible issuer under the Federal Reserve's Municipal Liquidity Facility ("MLF") $500 billion lending program. The Federal Reserve Board established the program facility in late April 2020, under the CARES Act, to enable states and municipalities to borrow from a $500 billion fund to help manage cash flow stresses caused by the coronavirus pandemic. The program allows states and smaller counties to receive three-year loans of up to 20% of their pre-COVID general revenue. The MTA's total capacity under the MLF program is estimated at $3.35 billion. MTA placed approximately $450 million of Transportation Revenue Bond Anticipation Notes in MLF on August 2020. An estimated $2.9 billion additional capacity is available for MTA to place Bond Anticipation Notes in the MLF. The MLF provisions allows the MTA to repay the amount borrowed early without penalty if the MTA can secure additional federal funding by early next year. The MTA is targeting a December 2020 close date for a loan up to the maximum capacity available to the MTA of $2.9 billion as a low interest bridge loan to be used for operating and possible capital needs.

- ***Projected COVID-19 Pandemic Budgetary Impacts.*** On August 26, 2020, MTA management presented a financial plan update to the MTA Board. MTA projected total deficits attributable to COVID-19 pandemic impacts in the MTA July Plan (calendar years 2020 through 2024) of approximately $16.2 billion. Due to the shutdown of the regional economy and its impact on the use of MTA's services, as well as the impact on economically sensitive subsidy revenues, MTA is in historically unprecedented fiscal distress and has requested $12 billion in additional federal aid just to get through 2021. This request accounts for the estimated fare, toll and dedicated tax revenue loss as described in the July Financial Plan, and the delay of the Central Business District Tolling Program. Currently, the U.S Congress is at a stalemate in the negotiations of an additional stimulus relief bill. Absent the billions in federal funding necessary for ensuring that the MTA system can function at pre-COVID-19 pandemic levels, management is considering all options to address the shortfall.

- ***Deficit Reduction Options Implemented Immediately.*** The MTA has immediately implemented the following deficit reduction options in August 2020 which include additional spending reductions (overtime spending reduction, consulting contracts reductions, and other non-personnel expense reductions), reduction or delay of the Capital Program, use of lockbox revenues for operations, the elimination of PAYGO capital and the use of OPEB Trust Proceeds. Collectively, these reductions/actions would result in immediate savings of approximately $1.2 billion a year in 2020 and 2021. These reduction options will not close MTA's projected budget gap for the remainder of 2020, nor will these actions address the even larger deficit projected for 2021.

  Additional Options for Deficit Reduction – Without the $12 billion in federal aid, MTA management is considering the following options to address the deficit shortfall:

  - *Potential Fare and Toll Increases* – An additional 1% fare increase and an additional $1 (dollar) toll increase in both 2021 and 2023 above the 4% biennial, subject to MTA Board approval and to a public hearing process.

- *Reductions in Force* – $125 million per thousand positions eliminated, subject to MTA Board approval.
- *Potential Service Reductions* – MTA New York City Transit could be forced to reduce service by up to 40% on subways, buses and MTA Staten Island Railway. MTA Long Island Rail Road and MTA Metro-North Railroad could be forced to reduce service by up to 50%. MTA Bridges and Tunnels could be forced to change its toll structure and reduce staff, impacting regional mobility. Certain potential service reductions are also subject to a public hearing process.
- *Potential Capital Projects Impacts-* MTA Construction and Development could be forced to continue to keep the 2020-2024 capital projects on "pause".
- *Potential Expense Deferrals and Wage Freeze Options* – Additional MTA management options to manage cash flow would be expenses deferrals (payroll tax deferral, NYCERS and NYSLRS pension plan payment deferral, and MTA-Sponsored Pension Plan Deferrals) and wage freeze (either permanent or postponement).

Tropical Storm Sandy Update

The total allocation of emergency relief funding from the Federal Transit Administration ("FTA") to MTA in connection with Superstorm Sandy to date is $5.83 billion, including $1.599 billion allocated on September 22, 2014, through a competitive resiliency program. A total of $5.81 billion in FTA Emergency Relief Funding has been executed: seven repair/local priority resiliency grants totaling $4.55 billion and seventeen competitive resiliency grants totaling$1.26 billion. As of September 30, 2020, MTA has drawn down a total of $2.91 billion in grant reimbursement for eligible operating and capital expenses. The balance of funds to be drawn down from all twenty-four grants is available to MTA for reimbursement of eligible expenses as requisitions are submitted by MTA and approved by FTA. Additional requisitions are in process. At MTA and Amtrak's request, in April 2018, FTA transferred $13.5 million of MTA's emergency relief allocation to the Federal Railroad Administration ("FRA") to allow Amtrak to execute a portion of MTA Long Island Rail Road's Competitive Resilience scope.

All MTA-allocated Superstorm Sandy FTA emergency relief funding/grants have been executed.

Labor Update

In January 2020 the MTA Board approved a labor agreement in which the MTA New York City Transit/Manhattan and Bronx Surface Transit Operating Authority, together with the MTA Bus Company, settled new terms with the Transport Workers Union, Local 100 ("TWU Local 100"). With this development, the MTA was poised to begin a new round of collective bargaining with nearly all of its represented employees. While the TWU Local 100 agreement, covering the period May 16, 2019 to May 15, 2023, would normally be considered a pattern-setting agreement that would establish parameters for future agreements with all other bargaining units, the severe economic impact resulting from the emergence of COVID-19 at the end of the first quarter has created numerous logistical and financial challenges, to the normal functioning of the MTA. The MTA's financial status and uncertain external economic conditions will exert a strong influence on collective bargaining strategies going forward, and efforts towards new agreements, since shortly after the onset of COVID-19, have been delayed. As a consequence, no new labor agreements were reached during the third quarter.

The following describes in greater detail the status of MTA's labor relations bargaining activity through September 30, 2020.

MTA Long Island Rail Road – As of September 30, 2020, MTA Long Island Rail Road has approximately 7,455 employees. Approximately 6,478 of the railroad's employees are represented by 12 different unions in 19 bargaining units. MTA Long Island Rail Road, having reached agreement with all its unions for the period from December 16, 2016 through April 16, 2019, is in position to begin a new round of collective bargaining, as all of its represented population is covered by agreements now considered amendable under the Railway Labor Act.

MTA Metro-North Railroad – At the end of the third quarter, all unions at MTA Metro-North Railroad are awaiting the resumption of collective bargaining towards new labor agreements. Of these, only a single bargaining unit, MTA Metro-North Railroad-ACRE Division 166, representing around 284 Signalmen, remains without new settlement terms for the 2017-2019 round of bargaining. Including this group, at the end of the third quarter, the railroad's entire represented population of around 5,451 union members is covered by agreements considered amendable under the Railway Labor Act.

MTA Headquarters – As of September 30, 2020, nearly all of MTA Headquarters' represented employees are under expired labor agreements. Labor agreements with MTA Police members of the Police Benevolent Association ("PBA") and of the Commanding Officers Association ("COA") expired in October 2018, and negotiations to establish new terms with these MTA Police unions, currently covering approximately 868 and 24 represented employees, respectively, or nearly half of MTA Headquarters' represented population, were delayed during the third quarter by the circumstances surrounding the COVID-19 pandemic. Also, MTA Headquarters' agreements with the Transportation Communications unions ("TCU"), currently representing approximately 841 employees who work at MTA Headquarters, have all expired. These include approximately 365 IT employees of TCU Local 982, whose agreement expired on December 31, 2019; and 258 Business Service Center, Pensions and Procurement employees, represented by TCU Local 643, whose agreement expired March 31, 2020.

MTA New York City Transit/Manhattan and Bronx Surface Transit Operating Authority – In January 2020, the MTA Board approved a new labor agreement between MTA New York City Transit and its largest union, the Transport Workers Union Local 100 ("TWU Local 100"); the TWU Local 100 employees at MTA Bus Company were also collectively a party to this agreement, which covered approximately 38,000 members in total. The new TWU Local 100 agreement has, in the past, established a collective bargaining pattern for most of the remaining represented population at MTA New York City Transit. Since contract negotiations have been delayed, the Amalgamated Transit Unions, ("ATU") Locals 726 and 1056, TWU Local 106, and the Special Inspectors Supervisors Employee Association ("SISEA") have begun impasse mediation. MTA New York City Transit employs approximately 40,800 people, 39,266 of whom are represented by 12 unions with 19 bargaining units.

MTA Bus Company – MTA Bus Company has 4,001 employees, approximately 3,795 of whom are represented by two different unions (four bargaining units). The largest of these is TWU Local 100, whose members were co-parties to the agreement approved by the MTA Board in January 2020.

At the end of the third quarter, MTA Bus Company's other collective bargaining units, ATU Local 1179, ATU Local 1181 and TWU Local 106, all had expired labor agreements and have begun impasse mediation.

MTA Bridges and Tunnels – MTA Bridges and Tunnels has 1,235 employees, approximately 847 of whom were represented by three different labor unions (four bargaining units). As of September 30, 2020, approximately 95% of MTA Bridges and Tunnels' represented employees have expired labor agreements. In July, the labor agreement with approximately 339 Maintainers, members of DC 37 Local 1931, expired. The most recent Memorandum of Understanding between the agency and the MTA Bridges and Tunnels Officers Benevolent Association ("BTOBA"), having been passed by the MTA Board in June 2019, expired in September of the same year, and its members remained without a successor agreement in the third quarter of 2020. Negotiations with the Superior Officers Benevolent Association ("SOBA") representing 149 supervisory officers, which expired March 14, 2012, have advanced to mediation. SOBA is ineligible to seek binding interest arbitration. Finally, the first quarter's Board-approved labor agreement with approximately 34 administrative and clerical employees represented by the American Federation of State, County and Municipal Employees, District Council 37, Local 1655 ("DC37 Local 1655") remains in effect until May 25, 2021.

MTA Staten Island Railway – During the third quarter of 2020, MTA Staten Island Railway had 342 employees, approximately 315 of whom were represented by four different unions. In the second quarter, labor agreements with all the railway's unions had already expired, and new terms have not yet been reached with any of these groups. In addition, the Subway-Surface Supervisor's Association ("SSSA") has begun impasse proceedings.

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(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2020 AND CONSOLIDATED STATEMENT OF NET POSITION AS OF DECEMBER 31, 2019

($ In millions)

	Business-Type Activities	
	September 30, 2020	**December 31, 2019**
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash unrestricted (Note 3)	$ 638	$ 305
Cash restricted (Note 3)	173	249
Unrestricted investments (Note 3)	3,921	3,304
Restricted investments (Note 3)	4,734	2,167
Restricted investments held under capital lease obligations (Notes 3 and 8)	99	107
Receivables:		
Station maintenance, operation, and use assessments	76	118
State and regional mass transit taxes	1,592	142
Mortgage Recording Tax receivable	40	49
State and local operating assistance	173	46
Other receivable from New York City and New York State	130	228
Due from Build America Bonds	3	1
Capital project receivable from federal and state government	47	25
Other	498	449
Less allowance for doubtful accounts	(267)	(200)
Total receivables — net	2,292	858
Materials and supplies	710	659
Prepaid expenses and other current assets (Note 2)	134	155
Total current assets	12,701	7,804
NON-CURRENT ASSETS:		
Capital assets (Note 6):		
Land and construction work-in-progress	23,449	20,381
Other capital assets (net of accumulated depreciation)	55,916	57,121
Unrestricted investments (Note 3)	92	66
Restricted investments (Note 3)	679	641
Restricted investments held under capital lease obligations (Notes 3 and 8)	291	289
Other non-current receivables	22	31
Receivable from New York State	10	10
Other non-current assets	7	16
Total non-current assets	80,466	78,555
TOTAL ASSETS	93,167	86,359
DEFERRED OUTFLOWS OF RESOURCES:		
Accumulated decreases in fair value of derivative instruments (Note 7)	498	419
Loss on debt refunding (Note 7)	883	1,001
Deferred outflows related to pensions (Note 4)	2,298	2,343
Deferred outflows related to OPEB (Note 5)	1,514	1,537
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,193	5,300
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 98,360	$ 91,659

See Independent Auditors' Review Report and notes to the consolidated interim financial statements.

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2020 AND CONSOLIDATED STATEMENT OF NET POSITION AS OF DECEMBER 31, 2019
($ In millions)

	Business-Type Activities	
	September 30, 2020	**December 31, 2019**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	$ 561	$ 443
Accrued expenses:		
Interest	768	287
Salaries, wages and payroll taxes	632	350
Vacation and sick pay benefits	1,067	1,040
Current portion — retirement and death benefits	107	15
Current portion — estimated liability from injuries to persons (Note 10)	502	501
Capital accruals	356	884
Accrued expenses	428	491
Other	488	488
Total accrued expenses	4,348	4,056
Current portion — loan payable (Note 7)	13	16
Current portion — long-term debt (Note 7)	2,336	2,210
Current portion — obligations under capital lease (Note 8)	4	14
Current portion — pollution remediation projects (Note 12)	30	31
Derivative fuel hedge liability (Note 14)	22	1
Unearned revenues	1,043	723
Total current liabilities	8,357	7,494
NON-CURRENT LIABILITIES:		
Net pension liability (Note 4)	7,584	7,584
Estimated liability arising from injuries to persons (Note 10)	4,391	4,086
Post-employment benefits other than pensions (Note 5)	19,582	19,582
Loan payable (Note 7)	100	108
Long-term debt (Note 7)	46,793	43,935
Obligations under capital leases (Note 8)	420	438
Pollution remediation projects (Note 12)	111	120
Contract retainage payable	459	430
Derivative liabilities (Note 7)	505	430
Other long-term liabilities	346	372
Total non-current liabilities	80,291	77,085
TOTAL LIABILITIES	88,648	84,579
DEFERRED INFLOWS OF RESOURCES:		
Gain on debt refunding	40	20
Deferred Inflows related to pensions (Note 4)	934	934
Deferred inflows related to OPEB (Note 5)	1,675	1,675
TOTAL DEFERRED INFLOWS OF RESOURCES	2,649	2,629
NET POSITION:		
Net investment in capital assets	31,706	31,147
Restricted for debt service	1,713	554
Restricted for claims	247	219
Restricted for other purposes (Note 2)	1,102	1,207
Unrestricted	(27,705)	(28,676)
TOTAL NET POSITION	7,063	4,451
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 98,360	$ 91,659

See Independent Auditors' Review Report and notes to the consolidated interim financial statements. (Concluded)

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

($ In millions)

	Business-Type Activities	
	September 30, 2020	**September 30, 2019**
OPERATING REVENUES:		
Fare revenue	$ 2,004	$ 4,732
Vehicle toll revenue	1,190	1,548
Rents, freight, and other revenue	344	466
Total operating revenues	3,538	6,746
OPERATING EXPENSES:		
Salaries and wages	4,651	4,719
Retirement and other employee benefits	2,577	2,319
Postemployment benefits other than pensions (Note 5)	501	483
Electric power	293	338
Fuel	86	134
Insurance	4	6
Claims	316	302
Paratransit service contracts	243	360
Maintenance and other operating contracts	507	508
Professional service contracts	335	308
Pollution remediation projects (Note 12)	4	6
Materials and supplies	403	493
Depreciation (Note 2)	2,226	2,135
Other	114	158
Total operating expenses	12,260	12,269
OPERATING LOSS	(8,722)	(5,523)
NON-OPERATING REVENUES (EXPENSES):		
Grants, appropriations and taxes:		
Tax-supported subsidies — NYS:		
Mass Transportation Trust Fund subsidies	414	491
Metropolitan Mass Transportation Operating Assistance subsidies	2,143	1,824
Payroll Mobility Tax subsidies	1,245	1,446
MTA Aid Trust Account subsidies	155	216
Internet sales tax subsidies	148	42
Tax-supported subsidies — NYC and Local:		
Mortgage Recording Tax subsidies	324	340
Urban Tax subsidies	258	478
Mansion Tax	138	-
Other subsidies:		
Operating Assistance - 18-B program	395	417
Build America Bond subsidy	47	47
NYC Assistance Fund	156	260
Subtotal grants, appropriations and taxes	$ 5,423	$ 5,561

See Independent Auditors' Review Report and notes to the consolidated interim financial statements.

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

($ In millions)

	Business-Type Activities	
	September 30, 2020	**September 30, 2019**
NON-OPERATING REVENUES (EXPENSES):		
Connecticut Department of Transportation	$ 184	$ 90
Subsidies paid to Dutchess, Orange, and Rockland Counties	(4)	(3)
Interest on long-term debt (Note 2)	(1,280)	(1,089)
Station maintenance, operation and use assessments	130	128
Operating subsidies recoverable from NYC	347	424
Federal Transit Administration reimbursement related to CARES Act COVID-19	4,010	-
Other net non-operating expenses	84	106
Net non-operating revenues	8,894	5,217
GAIN / (LOSS) BEFORE APPROPRIATIONS, GRANTS AND OTHER RECEIPTS EXTERNALLY RESTRICTED FOR CAPITAL PROJECTS	172	(306)
APPROPRIATIONS, GRANTS AND OTHER RECEIPTS EXTERNALLY RESTRICTED FOR CAPITAL PROJECTS	2,440	1,881
CHANGE IN NET POSITION	2,612	1,575
NET POSITION— Beginning of period	4,451	3,953
NET POSITION — End of period	$ 7,063	$ 5,528

See Independent Auditors' Review Report and
notes to the consolidated interim financial statements.

(Concluded)

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

($ In millions)

	Business-Type Activities	
	September 30, 2020	**September 30, 2019**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Passenger receipts/tolls	$ 3,220	$ 6,317
Rents and other receipts	431	651
Payroll and related fringe benefits	(7,169)	(7,554)
Other operating expenses	(1,664)	(2,463)
Net cash used by operating activities	(5,182)	(3,049)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grants, appropriations, and taxes	4,065	4,732
Operating subsidies from CDOT	181	80
Subsidies paid to Dutchess, Orange, and Rockland Counties	(9)	(8)
Federal Transit Administration reimbursement related to CARES Act COVID-19	4,010	-
Net cash provided by noncapital financing activities	8,247	4,804
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
MTA bond proceeds	4,431	1,606
MTA Bridges and Tunnels bond proceeds	631	285
MTA bonds refunded/reissued	(886)	(174)
MTA Bridges and Tunnels bonds refunded/reissued	-	(101)
MTA anticipation notes proceeds	2,078	4,505
MTA anticipation notes redeemed	(3,300)	(1,500)
MTA credit facility proceeds	995	1
MTA credit facility refunded	(518)	-
Capital lease payments and terminations	(14)	(1)
Federal and local grants	975	1,022
Other capital financing activities	1,321	(136)
Payment for capital assets	(4,408)	(4,941)
Debt service payments	(1,161)	(1,134)
Internet and Mansion Tax	258	-
Net cash provided by / (used by) capital and related financing activities	402	(568)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of long-term securities	(5,580)	(2,871)
Sales or maturities of long-term securities	3,520	1,847
Net purchases of short-term securities	(1,207)	(204)
Earnings on investments	57	82
Net cash used by investing activities	(3,210)	(1,146)
NET INCREASE IN CASH	257	41
CASH — Beginning of period	554	541
CASH — End of period	$ 811	$ 582

See Independent Auditors' Review Report and
notes to the consolidated interim financial statements.

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019
($ In millions)

	Business-Type Activities	
	September 30, 2020	**September 30, 2019**
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss (Note 2)	$ (8,722)	$ (5,523)
Adjustments to reconcile to net cash used in operating activities:		
Depreciation and amortization	2,226	2,135
Net increase in payables, accrued expenses, and other liabilities	1,171	218
Net decrease in receivables	139	112
Net decrease in materials and supplies and prepaid expenses	4	9
NET CASH USED BY OPERATING ACTIVITIES	$ (5,182)	$ (3,049)
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:		
Noncash investing activities:		
Interest expense includes amortization of net (premium) / discount (Note 2)	$ (111)	$ 139
Interest expense which was capitalized	-	29
Total Noncash investing activities	(111)	168
Noncash capital and related financing activities:		
Capital assets related liabilities	356	393
Capital leases related liabilities	424	447
Total Noncash capital and related financing activities	780	840
TOTAL NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES	$ 669	$ 1,008

See Independent Auditors' Review Report and notes to the consolidated interim financial statements.

(Concluded)

(A Component Unit of the State of New York)

STATEMENTS OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
AS OF DECEMBER 31, 2019 AND 2018

($ In thousands)

	Fiduciary Activities	
	December 31, 2019	**December 31, 2018**
ASSETS:		
Cash	$ 14,500	$ 21,685
Receivables:		
Employee loans	208,405	196,266
Participant and union contributions	20	-
Investment securities sold	1,140	730
Accrued interest and dividends	4,865	4,606
Other receivables	2,182	1,937
Total receivables	216,612	203,539
Investments at fair value:		
Investments measured at readily determined fair value	1,692,908	1,368,589
Investments measured at net asset value	10,485,234	8,915,496
Investments at contract value	1,435,218	1,313,496
Total investments	13,613,360	11,597,581
Total assets	$ 13,844,472	$ 11,822,805
LIABILITIES:		
Accounts payable and accrued liabilities	$ 6,191	$ 8,888
Payable for investment securities purchased	7,600	5,354
Accrued benefits payable	141	1,109
Accrued postretirement death benefits (PRDB) payable	3,360	2,921
Accrued 55/25 Additional Members Contribution (AMC) payable	5,787	5,982
Other liabilities	585	341
Total liabilities	23,664	24,595
NET POSITION:		
Restricted for pensions	8,916,007	7,688,199
Restricted for postemployment benefits other than pensions	414,827	351,380
Restricted for other employee benefits	4,489,974	3,758,631
Total net position	13,820,808	11,798,210
Total liabilities and net position	$ 13,844,472	$ 11,822,805

See Independent Auditors' Review Report and
notes to the consolidated interim financial statements.

(A Component Unit of the State of New York)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

($ In thousands)

	Fiduciary Activities	
	December 31, 2019	**December 31, 2018**
ADDITIONS:		
Contributions:		
Employer contributions	$ 1,278,819	$ 1,224,930
Non-Employer contributions	-	-
Implicit rate subsidy contribution	70,138	74,484
Participant rollovers	23,941	21,673
Member contributions	353,488	336,008
Total contributions	1,726,386	1,657,095
Investment income:		
Net (depreciation) / appreciation in fair value of investments	1,816,319	(464,140)
Dividend income	93,262	110,573
Interest income	25,627	19,021
Less:		
Investment expenses	55,822	92,896
Investment income, net	1,879,386	(427,442)
Other additions:		
Loan repayments - interest	8,979	7,529
Total additions	3,614,751	1,237,182
DEDUCTIONS:		
Benefit payments and withdrawals	1,303,892	1,232,179
Implicit rate subsidy payments	70,138	74,484
Transfer to other plans	98,556	93,387
Distribution to participants	107,396	87,379
Administrative expenses	5,382	5,305
Other deductions	6,789	5,410
Total deductions	1,592,153	1,498,144
Net (decrease) / increase in fiduciary net position	2,022,598	(260,962)
NET POSITION:		
Restricted for Benefits:		
Beginning of year	11,798,210	12,059,172
End of year	$ 13,820,808	$ 11,798,210

See Independent Auditors' Review Report and notes to the consolidated interim financial statements.

(A Component Unit of the State of New York)

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020 AND DECEMBER 31, 2019 AND FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 AND 2019

($ In millions, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity — The Metropolitan Transportation Authority ("MTA") was established in 1965, under Section 1263 of the New York Public Authorities Law, and is a public benefit corporation and a component unit of the State of New York ("NYS") whose mission is to continue, develop and improve public transportation and to develop and implement a unified public transportation policy in the New York metropolitan area.

These consolidated interim financial statements are of the Metropolitan Transportation Authority ("MTA"), including its related groups (collectively, the "MTA Group"), which are listed below. The Business-Type activities in these consolidated financial statements purport the operations of the MTA Group.

Metropolitan Transportation Authority and Related Groups (Component Units)

- Metropolitan Transportation Authority Headquarters ("MTAHQ") provides support in budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services to the related groups listed below.
- The Long Island Rail Road Company ("MTA Long Island Rail Road") provides passenger transportation between New York City ("NYC") and Long Island.
- Metro-North Commuter Railroad Company ("MTA Metro-North Railroad") provides passenger transportation between NYC and the suburban communities in Westchester, Dutchess, Putnam, Orange, and Rockland counties in NYS and New Haven and Fairfield counties in Connecticut.
- Staten Island Rapid Transit Operating Authority ("MTA Staten Island Railway") provides passenger transportation on Staten Island.
- First Mutual Transportation Assurance Company ("FMTAC") provides primary insurance coverage for certain losses, some of which are reinsured, and assumes reinsurance coverage for certain other losses.
- MTA Construction and Development ("MTA Capital Construction") provides oversight for the planning, design and construction of current and future major MTA system-wide expansion projects.
- MTA Bus Company ("MTA Bus") operates certain bus routes in areas previously served by private bus operators pursuant to franchises granted by the City of New York.
- MTAHQ, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, FMTAC, MTA Capital Construction, and MTA Bus, collectively are referred to herein as MTA. MTA Long Island Rail Road and MTA Metro-North Railroad are referred to collectively as the Commuter Railroads.
- New York City Transit Authority ("MTA New York City Transit") and its subsidiary, Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"), provide subway and public bus service within the five boroughs of New York City.
- Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") operates seven toll bridges, two tunnels, and the Battery Parking Garage, all within the five boroughs of New York City.

The subsidiaries and affiliates, considered component units of the MTA, are operationally and legally independent of the MTA. These related groups enjoy certain rights typically associated with separate legal status including, in some cases, the ability to issue debt. However, they are included in the MTA's consolidated financial statements as blended component units because of the MTA's financial accountability for these entities and they are under the direction of the MTA Board (a reference to "MTA Board" means the board of MTAHQ and/or the boards of the other MTA Group entities that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America ("GAAP"), the MTA is required to include these related groups in its financial statements. While certain units are separate legal entities, they do have legal capital requirements and the revenues of all of the related groups of the MTA are used to support the organizations as a whole. The components do not constitute a separate accounting entity (fund) since there is no legal requirement to account for the activities of the components as discrete accounting entities. Therefore, the MTA financial statements are presented on a consolidated basis with segment disclosure for each distinct operating activity. All of the component units publish separate annual financial statements, which are available by writing to the MTA Comptroller, 2 Broadway, 16th Floor, New York, New York 10004.

Although the MTA Group collects fares for the transit and commuter service, they provide and receive revenues from other sources, such as the leasing out of real property assets, and the licensing of advertising. Such revenues, including forecast-increased revenues from fare increases, are not sufficient to cover all operating expenses associated with such services. Therefore, to maintain a balanced budget, the members of the MTA Group providing transit and commuter service rely on operating surpluses transferred from MTA Bridges and Tunnels, operating subsidies provided by NYS and certain local governmental entities in the MTA commuter district, and service reimbursements from certain local governmental entities in the MTA commuter district and from the State of Connecticut. Non-operating subsidies to the MTA Group for transit and commuter service for the period ended September 30, 2020 and 2019 totaled $5.4 billion and $5.6 billion, respectively.

Basis of Presentation - Fiduciary Funds – The fiduciary fund financial statements provide information about the funds that are used to report resources held in trust for retirees and beneficiaries covered by pension plans and other employee benefit trust funds of the MTA. Separate financial statements are presented for the fiduciary funds.

The following MTA fiduciary component units comprise the fiduciary activities of the MTA and are categorized within Pension and Other Employee Benefit Trust Funds.

- Pension Trust Funds
  - MTA Defined Benefit Plan
  - The Long Island Railroad Company Plan for Additional Pensions (“Additional Plan”)
  - Manhattan and Bronx Surface Transit Operating Authority (“MaBSTOA Plan”)
  - Metro-North Commuter Railroad Company Cash Balance Plan (“MNR Cash Balance Plan”)
- Other Employee Benefit Trust Funds
  - MTA Other Postemployment Benefits Plan (“OPEB” Plan)
  - Thrift Plan for Employees of the MTA, its Subsidiaries and Affiliates (“401(k) Plan”)

These fiduciary statements of the fiduciary funds are prepared using the accrual basis of accounting and a measurement focus on the periodic determination of additions, deductions, and net position restricted for benefits. For reporting purposes, the financial results of the MNR Cash Balance Plan are not material and therefore not included in the fiduciary statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying consolidated interim financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The MTA applies Governmental Accounting Standards Board (“GASB”) Codification of Governmental Accounting and Financial Reporting Standards (“GASB Codification”) Section P80, Proprietary Accounting and Financial Reporting.

New Accounting Standards – The MTA adopted the following GASB Statements for the period ended September 30, 2020.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of GASB Statement No. 89 are effective for reporting periods beginning after December 31, 2021. Earlier application is encouraged. Effective January 1, 2020, the MTA early implemented the provisions of GASB Statement No. 89. As a result of the implementation of this Statement, all interest incurred during the period ended September 30, 2020 is reported as an expense in the Statement of Revenues, Expenses and Changes in Net Position.

Accounting Standards Issued but Not Yet Adopted

GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the MTA upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	MTA Required Year of Adoption
87	*Leases*	2022
91	*Conduit Debt Obligations 2021*	2022
92	*Omnibus 2020*	2022
93	*Replacement of Interbank Offered Rates*	2022
94	*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*	2023
96	*Subscription-based Information Technology Arrangements*	2023
97	*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- an amendment of GASB Statememts No. 14 and No. 84, and a supersession of GASB Statement No. 32*	2022

Use of Management Estimates — The preparation of the consolidated interim financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated interim financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the fair value of investments, allowances for doubtful accounts, valuation of derivative instruments, arbitrage rebate liability, accrued expenses and other liabilities, depreciable lives of capital assets, estimated liability arising from injuries to persons, pension benefits and other postemployment benefits. Actual results could differ significantly from those estimates.

Principles of Consolidation — The consolidated interim financial statements consist of MTAHQ, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, FMTAC, MTA Bus, MTA Construction and Development, MTA New York City Transit (including its subsidiary MaBSTOA), and MTA Bridges and Tunnels for years presented in the financial statements. All related group transactions have been eliminated for consolidation purposes.

Net Position – Restricted for Other Purposes – This category is classified within net position and includes net investments restricted for capital leases and MTA Bridges and Tunnels necessary reconstruction reserve.

Investments — The MTA Group's investment policies comply with the New York State Comptroller's guidelines for such operating and capital policies. Those policies permit investments in, among others, obligations of the U.S. Treasury, its agencies and instrumentalities, and repurchase agreements secured by such obligations. FMTAC's investment policies comply with New York State Comptroller guidelines and New York State Department of Insurance guidelines.

Investments expected to be utilized within a year of September 30th have been classified as current assets in the consolidated interim financial statements.

In accordance with the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, investments are recorded on the consolidated statement of net position at fair value, except for commercial paper, certificates of deposit, and repurchase agreements, which are recorded at amortized cost or contract value. All investment income, including changes in the fair value of investments, is reported as revenue on the consolidated statement of revenues, expenses and changes in net position. Fair values have been determined using quoted market values at September 30, 2020 and December 31, 2019.

Investment derivative contracts are reported at fair value using the income approach.

Materials and Supplies — Materials and supplies are valued at average cost, net of obsolescence reserve at September 30, 2020 and December 31, 2019 of $205 and $184, respectively.

Prepaid Expenses and Other Current Assets — Prepaid expenses and other current assets reflect advance payment of insurance premiums as well as farecard media related with ticket machines, WebTickets and AirTrain tickets.

Capital Assets — Properties and equipment are carried at cost and are depreciated on a straight-line basis over their estimated useful lives. Expenses for maintenance and repairs are charged to operations as incurred. Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA having a minimum useful life of two years and having a cost of more than $25 thousand. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. Capital leases are classified as capital assets in amounts equal to the lesser of the fair market value or the present value of net minimum lease payments at the inception of the lease. Accumulated depreciation and amortization are reported as reductions of capital assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. Capital lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less.

Pollution remediation projects —Pollution remediation costs have been expensed in accordance with the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (See Note 12). An operating expense provision and corresponding liability measured at current value using the expected cash flow method has been recognized for certain pollution remediation obligations, which previously may not have been required to be recognized, have been recognized earlier than in the past or are no longer able to be capitalized as a component of a capital project. Pollution remediation obligations occur when any one of the following obligating events takes place: the MTA is in violation of a pollution prevention-related permit or license; an imminent threat to public health due to pollution exists; the MTA is named by a regulator as a responsible or potentially responsible party to participate in remediation; the MTA voluntarily commences or legally obligates itself to commence remediation efforts; or the MTA is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities.

Operating Revenues — Passenger Revenue and Tolls — Revenues from the sale of tickets, tokens, electronic toll collection system, and farecards are recognized as income when tickets or farecards are used. Tickets are assumed to be used in the month of purchase, with the exception of advance purchases of monthly and weekly tickets. When the farecards expire, revenue is recorded for the unused value of the farecards.

MTA Bridges and Tunnel has two toll rebate programs at the Verrazano-Narrows Bridge: the Staten Island Resident (“SIR”) Rebate Program, available for residents of Staten Island participating in the SIR E-ZPass toll discount plan, and the Verrazano-Narrows Bridge Commercial Rebate Program (“VNB Commercial Rebate Program”), available for commercial vehicles making more than ten trips per month using the same New York Customer Service Center (“NYCSC”) E-ZPass account. The VNB Commercial Rebate Program and SIR Rebate Program are funded by the State and MTA.

Capital Financing — The MTA has ongoing programs on behalf of its subsidiaries and affiliates, subject to approval by the New York State Metropolitan Transportation Authority Capital Program Review Board (the “State Review Board”), which are intended to improve public transportation in the New York Metropolitan area.

The federal government has a contingent equity interest in assets acquired by the MTA with federal funds and upon disposal of such assets, the federal government may have a right to its share of the proceeds from the sale. This provision has not been a substantial impediment to the MTA’s operations.

Non-operating Revenues

Operating Assistance — The MTA Group receives, subject to annual appropriation, NYS operating assistance funds that are recognized as revenue after the NYS budget is approved and adopted. Generally, funds received under the NYS operating assistance program are fully matched by contributions from NYC and the seven other counties within the MTA’s service area.

Mortgage Recording Taxes (“MRT”) — Under NYS law, the MTA receives capital and operating assistance through a Mortgage Recording Tax (“MRT-1”). MRT-1 is collected by NYC and the seven other counties within the MTA’s service area, at the rate of 0.25% of the debt secured by certain real estate mortgages. Effective September 2005, the rate was increased from 25 cents per 100 dollars of recorded mortgage to 30 cents per 100 dollars of recorded mortgage. The MTA also receives an additional Mortgage Recording Tax (“MRT-2”) of 0.25% of certain mortgages secured by real estate improved or to be improved by structures containing one to nine dwelling units in the MTA’s service area. MRT-1 and MRT-2 taxes are recognized as revenue based upon reported amounts of taxes collected.

- MRT-1 proceeds are initially used to pay MTAHQ’s operating expenses. Remaining funds, if any, are allocated 55% to certain transit operations and 45% to the commuter railroads operations. The commuter railroad portion is first used to fund the NYS Suburban Highway Transportation Fund in an amount not to exceed $20 annually (subject to the monies being returned under the conditions set forth in the governing statute if the Commuter Railroads are operating at a deficit).
- The first $5 of the MRT-2 proceeds is transferred to the MTA Dutchess, Orange, and Rockland (“DOR”) Fund ($1.5 each for Dutchess and Orange Counties and $2 for Rockland County). Additionally, the MTA must transfer to each County’s fund an amount equal to the product of (i) the percentage by which each respective County’s mortgage recording tax payments (both MRT-1 and MRT-2) to the MTA increased over such payments in 1989 and (ii) the base amount received by each county as described above. The counties do not receive any portion of the September 1, 2005 increase in MRT-1 from 25 cents per $100 of recorded mortgage to 30 cents. As of September 30, 2020, the MTA paid to Dutchess, Orange and Rockland Counties the 2019 excess amounts of MRT-1 and MRT-2 totaling $5.3.
- In addition, MTA New York City Transit receives operating assistance directly from NYC through a mortgage recording tax at the rate of 0.625% of the debt secured by certain real estate mortgages and through a property transfer tax at the rate of one percent of the assessed value (collectively referred to as “Urban Tax Subsidies”) of certain properties.

Mobility Tax — In June of 2009, Chapter 25 of the NYS Laws of 2009 added Article 23, which establishes the Metropolitan Commuter Transportation Mobility Tax ("MCTMT"). The proceeds of this tax, administered by the New York State Tax Department, are to be distributed to the Metropolitan Transportation Authority. This tax is imposed on certain employers and self-employed individuals engaging in business within the metropolitan commuter transportation district which includes New York City, and the counties of Rockland, Nassau, Suffolk, Orange, Putnam, Dutchess, and Westchester. This Tax is imposed on certain employers that have payroll expenses within the Metropolitan Commuter Transportation District, to pay at a rate of 0.34% of an employer's payroll expenses for all covered employees for each calendar quarter. The employer is prohibited from deducting from wages or compensation of an employee any amount that represents all or any portion of the MCTMT. The effective date of this tax was March 1, 2009 for employers other than public school districts; September 1, 2009 for Public school districts and January 1, 2009 for individuals.

Supplemental Aid — In 2009, several amendments to the existing tax law provided the MTA supplemental revenues to be deposited into the AID Trust Account of the Metropolitan Transportation Authority Financial Assistance Fund established pursuant to Section 92 of the State Finance law. These supplemental revenues relate to: 1) supplemental learner permit/ license fee in the Metropolitan Commuter Transportation District, 2) supplemental registration fee, 3) supplemental tax on every taxicab owner per taxicab ride on every ride that originated in the City of New York and terminates anywhere within the territorial boundaries of the Metropolitan Commuter Transportation District, and 4) supplemental tax on passenger car rental. This Supplemental Aid Tax is provided to the MTA in conjunction with the Mobility Tax.

Dedicated Taxes — Under NYS law, subject to annual appropriation, the MTA receives operating assistance through a portion of the Dedicated Mass Transportation Trust Fund ("MTTF") and Metropolitan Mass Transportation Operating Assistance Fund ("MMTOA"). The MTTF receipts consist of a portion of the revenues derived from certain business privilege taxes imposed by the State on petroleum businesses, a portion of the motor fuel tax on gasoline and diesel fuel, and a portion of certain motor vehicle fees, including registration and non-registration fees. Effective October 1, 2005, the State increased the amount of motor vehicle fees deposited into the MTTF for the benefit of the MTA. MTTF receipts are applied first to meet certain debt service requirements or obligations and second to the Transit System (defined as MTA New York City Transit and MaBSTOA), MTA Staten Island Railway and the Commuter Railroads to pay operating and capital costs. The MMTOA receipts are comprised of 0.375% regional sales tax, regional franchise tax surcharge, a portion of taxes on certain transportation and transmission companies, and an additional portion of the business privilege tax imposed on petroleum businesses. MMTOA receipts, to the extent that MTTF receipts are not sufficient to meet debt service requirements, will also be applied to certain debt service obligations, and secondly to operating and capital costs of the Transit System, and the Commuter Railroads.

The State Legislature enacts in an annual budget bill for each state fiscal year an appropriation to the MTA Dedicated Tax Fund for the then-current state fiscal year and an appropriation of the amounts projected by the Director of the Budget of the State to be deposited in the MTA Dedicated Tax Fund for the next succeeding state fiscal year. The assistance deposited into the MTTF is required by law to be allocated, after provision for debt service on Dedicated Tax Fund Bonds (See Note 7), 85% to certain transit operations (not including MTA Bus) and 15% to the commuter railroads operations. Revenues from this funding source are recognized based upon amounts of tax reported as collected by NYS, to the extent of the appropriation.

Build America Bond Subsidy — The MTA is receiving cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the Series of Bonds issued as "Build America Bonds" and authorized by the Recovery Act. The Internal Revenue Code of 1986 imposes requirements that MTA must meet and continue to meet after the issuance in order to receive the cash subsidy payments. The interest on these bonds is fully subject to Federal income taxation to the bondholder.

Congestion Zone Surcharges – In April 2018, the approved 2018-2019 New York State Budget enacted legislation that provided additional sources of revenue, in the form of surcharges and fines, as defined by Article 29-C, Chapter 59 of the Tax Law, to address the financial needs of the MTA. Beginning on January 1, 2019, the legislation imposed the following:

- A surcharge of $2.75 on for-hire transportation trips provided by motor vehicles carrying passengers for hire (or $2.50 in the case of taxicabs that are subject to the $0.50 cents tax on hailed trips that are part of the MTA Aid Trust Account Receipts), other than pool vehicles, ambulance and buses, on each trip that (1) originates and terminates south of and excluding 96th Street in the City of New York, in the Borough of Manhattan (the "Congestion Zone"), (2) originates anywhere in NYS and terminates within the Congestion Zone, (3) originates in the Congestion Zone and terminates anywhere in NYS, or (4) originates anywhere in NYS, enters into the Congestion Zone while in transit, and terminates anywhere in NYS.
- A surcharge of $0.75 cents for each person who both enters and exits a pool vehicle in NYS and who is picked up in, dropped off in, or travels through the Congestion Zone.

The Congestion Zone Surcharges do not apply to transportation services administered by or on behalf of MTA, including paratransit services.

The April 2018 legislation also created the New York City Transportation Assistance Fund, held by MTA. The fund consists of the three sub-accounts, the Subway Action Plan Account, the Outer Borough Transportation Account and the General Transportation Account.

- **Subway Action Plan Account** – Funds in this account may be used exclusively for funding the operating and capital costs, and debt service associated with the Subway Action Plan.
- **Outer Borough Transportation Account** - Funds in this account may be used exclusively for funding (1) the operating and capital costs of, and debt service associated with, the MTA facilities, equipment and services in the counties of Bronx, Kings, Queens and Richmond, and any projects improving transportation connections from such counties to Manhattan, or (2) a toll reduction program for any crossing under the jurisdiction of MTA or MTA Bridges and Tunnels.
- **General Transportation Account** - Funds in this account may be used exclusively for funding the operating and capital costs of MTA. In each case, funds may be used for various operations and capital needs or for debt service and reserve requirements.

Dedicated Revenues - In April 2019, the approved 2019-2020 New York State Budget enacted legislation that included new, dedicated revenue streams for the MTA. The additional sources of revenue include a Central Business District Tolling Program, which has an implementation date of December 31, 2020. The Central Business District Tolling Program will assess a toll for vehicles entering the Central Business District, defined as south of 60th Street in Manhattan, but will exclude vehicles traveling on the FDR Drive or the West Side Highway, which includes the Battery Park underpass and or any surface roadway portion of the Hugh L. Carey Tunnel that connects to West Street.

The enacted State Budget also included provisions for a new Real Property Transfer Tax Surcharge (referred to as the “Mansion Tax”) on high-priced residential property sales in New York City and an Internet Marketplace Sales Tax. The Mansion Tax went into effect on July 1, 2019 and increases the transfer tax on a sliding scale by a quarter percent starting at $2, with a combined top rate of 4.15%, on the sale of New York City residential properties valued at $25 or above. The Internet Marketplace Sales Tax went into effect on June 1, 2019 and requires internet marketplace providers to collect and remit sales tax from out of state retailers on their sites that have gross receipts exceeding $300,000 (dollars) and delivering more than one hundred sales into New York State in the previous four quarters. The sales tax will be collected at the normal rate of 4% plus local sales tax.

The proceeds from the Central Business District Tolling Program, the Internet Marketplace Sales Tax and the Real Property Transfer Tax Surcharge will be deposited into the MTA’s Central Business District Tolling Program capital lock box and may only be used to support financing of the 2020-2024 Capital Program.

Operating Subsidies Recoverable from Connecticut Department of Transportation (“CDOT”) — A portion of the deficit from operations relating to MTA Metro-North Railroad’s New Haven line is recoverable from CDOT. Under the terms of a renewed Service Agreement, which began on January 1, 2015, and the 1998 resolution of an arbitration proceeding initiated by the State of Connecticut, CDOT pays 100.0% of the net operating deficit of MTA Metro-North Railroad’s branch lines in Connecticut (New Canaan, Danbury, and Waterbury), 65.0% of the New Haven mainline operating deficit, and 54.3% of the Grand Central Terminal (“GCT”) operating deficit. The New Haven line’s share of the net operating deficit for the use of GCT is comprised of a fixed fee, calculated using several years as a base, with annual increases for inflation, and the actual cost of operating GCT’s North End Access beginning in 1999. The Service Agreement also provides that CDOT pay 100% of the cost of non-movable capital assets located in Connecticut, 100% of movable capital assets to be used primarily on the branch lines and 65% of the cost of other movable capital assets allocated to the New Haven line. Remaining funding for New Haven line capital assets is provided by the MTA. The Service Agreement provides for automatic five-year renewals unless a notice of termination has been provided. The Service Agreement has been automatically extended for an additional five years beginning January 1, 2015 subject to the right of CDOT or MTA to terminate the agreement on eighteen month’s written notice. Capital assets completely funded by CDOT are not reflected in these financial statements, as ownership is retained by CDOT. The Service Agreement provides that final billings for each year be subject to audit by CDOT. The audits of 2018 and 2019 billings are still open.

Reimbursement of Expenses — The cost of operating and maintaining the passenger stations of the Commuter Railroads in NYS is assessable by the MTA to NYC and the other counties in which such stations are located for each NYS fiscal year ending December 31, under provisions of the NYS Public Authorities Law. This funding is recognized as revenue based upon an amount, fixed by statute, for the costs to operate and maintain passenger stations and is revised annually by the increase or decrease of the regional Consumer Price Index.

In 1995, New York City ceased reimbursing the Authority for the full costs of the free/reduced fare program for students. Beginning in 1996, the State and New York City each began paying $45 per annum to MTA New York City Transit toward the cost of the program. In 2009, the State reduced their $45 reimbursement to $6.3. Beginning in 2010, the State increased their annual commitment to $25.3 while New York City’s annual commitment remained at $45. These commitments have been met by both the State and New York City for both 2018 and 2019.

Prior to April 1995, New York City was obligated to reimburse MTA New York City Transit for the transit police force. As a result of the April 1995 merger of the transit police force into the New York City Police Department, New York City no longer reimburses MTA New York City Transit for the costs of policing the Transit System on an ongoing basis since policing of the Transit System is being carried out by the New York City Police Department at New York City's expense. MTA New York City Transit continues to be responsible for certain capital costs and support services related to such police activities, a portion of which is reimbursed by New York City. MTA New York City Transit received approximately $1.8 in the nine months ended September 30, 2020 and $2.4 in the nine months ended September 30, 2019 from New York City for the reimbursement of transit police costs.

MTAHQ bills MTA Metro-North Railroad through its consolidated services for MTA police costs in the New Haven line of which MTA Metro-North Railroad recovers approximately 65% from Connecticut Department of Transportation. The amounts billed for the periods ended September 30, 2020 and 2019 were $15.4 and $16.1, respectively. The amounts recovered for the periods ended September 30, 2020 and 2019 were approximately $10.0 and $10.5, respectively.

Federal law and regulations require a paratransit system for passengers who are not able to ride the buses and trains because of their disabilities. Pursuant to an agreement between New York City and the MTA, MTA New York City Transit, effective July 1, 1993, assumed operating responsibility for all paratransit service required by the Americans with Disability Act of 1990. Services are provided by private vendors under contract with MTA New York City Transit. New York City reimburses MTA New York City Transit for the lesser of 33% of net paratransit operating expenses defined as labor, transportation, and administrative costs less fare revenues and 6% of gross urban tax proceeds as described above or, an amount that is 20% greater than the amount paid by New York City for the preceding calendar year. Fare revenues and New York City's reimbursement aggregated approximately $127.3 for the nine months ended September 30, 2020 and $179.3 for the nine months ended September 30, 2019.

Grants and Appropriations — Grants and appropriations for capital projects are recorded when requests are submitted to the funding agencies for reimbursement of capital expenditures meeting eligibility requirements. These amounts are reported separately after Net Non-operating Revenues in the Statements of Revenues, Expenses, and Changes in Net Position.

Operating and Non-operating Expenses — Operating and non-operating expenses are recognized in the accounting period in which the liability is incurred. All expenses related to operating the MTA (e.g. salaries, insurance, depreciation, etc.) are reported as operating expenses. All other expenses (e.g. interest on long-term debt, subsidies paid to counties, etc.) are reported as non-operating expenses.

Liability Insurance — FMTAC, an insurance captive subsidiary of MTA, operates a liability insurance program ("ELF") that insures certain claims in excess of the self-insured retention limits of the agencies on both a retrospective (claims arising from incidents that occurred before October 31, 2003) and prospective (claims arising from incidents that occurred on or after October 31, 2003) basis. For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limits are: $8 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road, and MTA Metro-North Railroad; $2.3 for MTA Long Island Bus and MTA Staten Island Railway; and $1.6 for MTAHQ and MTA Bridges and Tunnels. For claims arising from incidents that occurred on or after November 1, 2009, but before November 1, 2012, the self-insured retention limits are: $9 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $2.6 for MTA Long Island Bus and MTA Staten Island Railway; and $1.9 for MTAHQ and MTA Bridges and Tunnels. Effective November 1, 2012, the self-insured retention limits for ELF were increased to the following amounts: $10 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $3 for MTA Staten Island Railway; and $2.6 for MTAHQ and MTA Bridges and Tunnels. Effective October 31, 2015, the self-insured retention limits for ELF were increased to the following amounts: $11 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $3.2 for MTA Staten Island Railway, MTAHQ and MTA Bridges and Tunnels. The maximum amount of claims arising out of any one occurrence is the total assets of the program available for claims, but in no event greater than $50. The retrospective portion contains the same insurance agreements, participant retentions, and limits as existed under the ELF program for occurrences happening on or before October 30, 2003. On a prospective basis, FMTAC issues insurance policies indemnifying the other MTA Group entities above their specifically assigned self-insured retention with a limit of $50 per occurrence with a $50 annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On September 30, 2020, the balance of the assets in this program was $181.2.

MTA also maintains an All-Agency Excess Liability Insurance Policy that affords the MTA Group additional coverage limits of $350 for a total limit of $400 ($350 excess of $50). In certain circumstances, when the assets in the program described in the preceding paragraph are exhausted due to payment of claims, the All-Agency Excess Liability Insurance will assume the coverage position of $50.

On March 1, 2020, the "nonrevenue fleet" automobile liability policy program was renewed. This program provides third-party auto liability insurance protection for the MTA Group with the exception of MTA New York City Transit, MTA Bus and MTA Bridges and Tunnels. The policy provides $11 per occurrence limit with a $1 per occurrence deductible for MTA

Long Island Rail Road, MTA Staten Island Railway, MTA Police, MTA Metro-North Railroad, MTA Inspector General and MTA Headquarters. FMTAC renewed its deductible buy back policy, where it assumes the liability of the agencies for their deductible.

On March 1, 2020, the "Access-A-Ride" automobile liability policy program was renewed. This program provides third-party auto liability insurance protection for the MTA New York City Transit's Access-A-Ride program, including the contracted operators. This policy provides $1 per occurrence limit excess of a $2 self-insured retention.

On December 15, 2019, FMTAC renewed the primary coverage on the Station Liability and Force Account liability policies $11 per occurrence loss for MTA Metro-North Railroad and MTA Long Island Rail Road.

Property Insurance — Effective May 1, 2020, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2020, FMTAC directly insures property damage claims of the Related Entities in excess of a $25 per occurrence deductible, subject to an annual $75 aggregate deductible. The total All Risk program annual limit is $500 per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7.5 per occurrence. In addition to the noted $25 per occurrence deductible, MTA is self-insured above the deductible for $44.464 within the overall $500 per occurrence property program, as follows: $0.685 (or 1.37%) of the $50 excess $50 layer, plus $13.4 (or 26.8%) of $50 excess $150 layer, plus $6.85 (or 13.7%) of the $50 excess $200 layer, plus $17.35 (or 34.71%) of the $50 excess $250 layer and $6.18 (or 12.36%) of the $50 excess $300 layer.

The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage.

Supplementing the $500 per occurrence noted above, FMTAC's property insurance program has been expanded to include a further layer of $100 of fully collateralized earthquake coverage for an event of a certain index value and for storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 12, 2020 to April 30, 2023. The expanded protection is reinsured by MetroCat Re Ltd. 2020-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2020-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values, and also for an earthquake event of a certain index value.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of "certified" losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") of 2019. The remaining 20% of the Related Entities' losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of $200. The United States government's reinsurance is in place through December 31, 2027.

To supplement the reinsurance to FMTAC through the TRIPRA, MTA obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any "certified" act of terrorism up to a maximum recovery of $215 for any one occurrence and in the annual aggregate (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the "certified" acts of terrorism insurance or (3) 100% of any "certified" terrorism loss which exceeds $5 and less than the $200 TRIPRA trigger up to a maximum recovery of $200 for any occurrence and in the annual aggregate.

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of $215. Recovery under the terrorism policy is subject to a deductible of $25 per occurrence and $75 in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities' deductible in any one year exceed $75 future losses in that policy year are subject to a deductible of $7.5. The terrorism coverages expire at midnight on May 1, 2021.

Pension Plans — In accordance with the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the MTA recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the MTA's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the measurement date of each of the qualified pension plans. Changes in the net pension liability during the year are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the year incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the year in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the year in which the difference occurred.

Postemployment Benefits Other Than Pensions — In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus* for the OPEB Plan, the MTA recognizes a net OPEB liability, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date of the plan.

Changes in the net OPEB liability during the year are recorded as OPEB expense, or as deferred outflows of resources or deferred inflows of resources relating to OPEB depending on the nature of the change, in the year incurred. Changes in net OPEB liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the OPEB plan and recorded as a component of OPEB expense beginning with the year in which they are incurred. Projected earnings on qualified OPEB plan investments are recognized as a component of OPEB expenses. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflow of resources as a component of OPEB expense on a closed basis over a five-year period beginning with the year in which the difference occurred.

3. CASH AND INVESTMENTS

Cash - The Bank balances are insured up to $250 thousand in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited. As of September 30, 2020, restricted cash represents $173 received by the MTA from the State of New York and New York City for the Subway Action Plan.

Cash, including deposits in transit, consists of the following at September 30, 2020 and December 31, 2019 (in millions):

	September 30, 2020		December 31, 2019	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
FDIC insured or collateralized deposits	$ 446	$ 445	$ 105	$ 104
Uninsured and not collateralized	365	330	449	405
Total Balance	$ 811	$ 775	$ 554	$ 509

All collateralized deposits are held by the MTA or its agent in the MTA's name.

The MTA, on behalf of itself, its affiliates and subsidiaries, invests funds which are not immediately required for the MTA's operations in securities permitted by the New York State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes, and U.S. Treasury zero coupon bonds.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the MTA will not be able to recover the value of its deposits. While the MTA does not have a formal deposit policy for custodial credit risk, New York State statues govern the MTA's investment policies. The MTA's uninsured and uncollateralized deposits are primarily held by commercial banks in the metropolitan New York area and are subject to the credit risks of those institutions.

Investments - MTA holds most of its investments at a custodian bank. The custodian must meet certain banking institution criteria enumerated in MTA's Investment Guidelines. The Investment Guidelines also require the Treasury Division to hold at least $100 of its portfolio with a separate emergency custodian bank. The purpose of this deposit is in the event that the MTA's main custodian cannot execute transactions due to an emergency outside of the custodian's control, the MTA has an immediate alternate source of liquidity.

The MTA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The MTA had the following recurring fair value measurements as of September 30, 2020 and December 31, 2019 (in millions):

Investments by fair value level	September 30, 2020	Fair Value Measurements Level 1	Fair Value Measurements Level 2	December 31, 2019	Fair Value Measurements Level 1	Fair Value Measurements Level 2
Debt Securities:						
U.S. treasury securities	$ 8,498	$ 8,226	$ 272	$ 5,105	$ 4,753	$ 352
U.S. government agency	244	-	244	359	-	359
Commercial paper	150	-	150	175	-	175
Asset-backed securities	46	-	46	46	-	46
Commercial mortgage-backed securities	153	-	153	110	-	110
Foreign bonds	26	26	-	19	19	-
Corporate bonds	188	188	-	138	138	-
Tax Benefit Lease Investments:						
U.S. treasury securities	202	202	-	189	189	-
U.S. government agency	148	78	70	128	69	59
Repurchase agreements	52	41	11	182	182	-
Total investments by fair value level	9,707	$ 8,761	$ 946	6,451	$ 5,350	$ 1,101
Other	109			123		
Total Investments	$ 9,816			$ 6,574		

Investments classified as Level 1 of the fair value hierarchy, totaling $8,761 and $5,350 as of September 30, 2020 and December 31, 2019, respectively, are valued using quoted prices in active markets. Fair values include accrued interest to the extent that interest is included in the carrying amounts. Accrued interest on investments other than Treasury bills and coupons is included in other receivables on the statement of net position. The MTA's investment policy states that securities underlying repurchase agreements must have a fair value at least equal to the cost of the investment.

U.S. Government agency securities totaling $314 and $418, U.S, treasury securities totaling $272 and $352, commercial paper totaling $150 and $175, asset-backed securities totaling $46 and $46, repurchase agreements totaling $11 and $0, and commercial mortgage-backed securities totaling $153 and $110 as of September 30, 2020 and December 31, 2019, respectively, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by a third-party pricing service. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices and indices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from a third-party pricing service or our custodian bank.

In connection with certain lease transactions described in Note 8, the MTA has purchased securities or entered into payment undertaking, letter of credit, or similar type agreements or instruments (guaranteed investment contracts) with financial institutions, which generate sufficient proceeds to make basic rent and purchase option payments under the terms of the leases. If the obligors do not perform, the MTA may have an obligation to make the related rent payments.

All investments, other than the investments restricted for capital lease obligations, are either insured or registered and held by the MTA or its agent in the MTA's name. Investments restricted for capital lease obligations are either held by MTA or its agent in the MTA's name or held by a custodian as collateral for MTA's obligation to make rent payments under capital lease obligations. Investments had weighted average yields of 0.13% and 1.62% for the nine months ended September 30, 2020 and year ended December 31, 2019, respectively.

Credit Risk — At September 30, 2020 and December 31, 2019, the following credit quality rating has been assigned to MTA investments by a nationally recognized rating organization (in millions):

Quality Rating Standard & Poor's	September 30, 2020	Percent of Portfolio	December 31, 2019	Percent of Portfolio
A-1+	$ 107	1%	$ 235	4%
A-1	150	2%	175	3%
AAA	312	3%	256	4%
AA+	70	1%	59	1%
AA	42	0%	33	1%
A	116	1%	88	1%
B	1	0%	-	0%
BBB	63	1%	41	1%
Not rated	68	1%	202	3%
U.S. Government	8,778	90%	5,362	82%
Total	9,707	100%	6,451	100%
Equities and capital leases	109		123	
Total investment	$ 9,816		$ 6,574	

Interest Rate Risk — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Duration is a measure of interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice versa. Duration is an indicator of bond price's sensitivity to a 100 basis point change in interest rates.

	September 30, 2020		December 31, 2019	
	Fair Value	Duration	Fair Value	Duration
(In millions)		**(in years)**		**(in years)**
U.S. Treasuries	$ 8,498	3.84	$ 5,105	4.36
Federal Agencies	244	4.56	359	5.98
Tax benefits lease investments	350	7.34	317	7.37
Repurchase agreements	52	-	182	-
Commercial paper	150	-	175	-
Asset-backed securities (1)	46	2.38	46	1.95
Commercial mortgage-backed securities (1)	153	4.36	110	3.85
Foreign bonds (1)	26	7.09	19	6.25
Corporates (1)	188	6.76	138	4.56
Total fair value	9,707		6,451	
Modified duration		3.97		4.34
Investments with no duration reported	109		123	
Total investments	$ 9,816		$ 6,574	

(1) These securities are only included in the FMTAC portfolio.

MTA is a public benefit corporation established under the New York Public Authorities Law. MTA's Treasury Division is responsible for the investment management of the funds of the component units. The investment activity covers all operating and capital funds, including bond proceeds, and the activity is governed by State statutes, bond resolutions and the Board-adopted investment guidelines (the "Investment Guidelines"). The MTA Act currently permits the Related Entities to invest in the following general types of obligations:

- obligations of the State or the United States Government;
- obligations of which the principal and interest are guaranteed by the State or the United States government;
- obligations issued or guaranteed by certain Federal agencies;
- repurchase agreements fully collateralized by the obligations of the foregoing United States Government and Federal agencies;
- certain certificates of deposit of banks or trust companies in the State;
- certain banker's acceptances with a maturity of 90 days or less;
- certain commercial paper;

- certain municipal obligations; and
- certain mutual funds up to $10 in the aggregate.

MTA adopted NYS Statutory Requirements with respect to credit risk of its investments, which include, but are not limited to the following sections:

i. Public Authorities Law Sections 1265(4) (MTA), 1204(19) (MTA New York City Transit Authority) and 553(21) (MTA Bridges and Tunnels);

ii. Public Authorities Law Section 2925 Investment of funds by public authorities and public benefit corporations; general provisions; and

iii. State Finance Law Article 15 – EXCELSIOR LINKED DEPOSIT ACT.

MTA Investment Guidelines limit the dollar amount invested in banker acceptances, commercial paper, and obligations issued or guaranteed by certain Federal agencies to $250 at cost. There are no dollar limits on the purchase of obligations of the United States government, the State or obligations the principal and interest of which are guaranteed by the State or the United States government. Investments in collateralized repurchase agreements are limited by dealer or bank's capital. MTA can invest no greater than $300 with a bank or dealer rated in Tier 1 (i.e. $1 billion or more of capital).

FMTAC is created as a MTA subsidiary and is licensed as a captive direct insurer and reinsurer by the New York State Department of Insurance. As such, FMTAC is responsible for the investment management of its funds. The investment activity is governed by State statutes and the FMTAC Board adopted investment guidelines. The minimum surplus to policyholders and reserve instruments are invested in the following investments:

- obligations of the United States or any agency thereof provided such agency obligations are guaranteed as to principal and interest by the United States;
- direct obligations of the State or of any county, district or municipality thereof;
- any state, territory, possession or any other governmental unit of the United States;
- certain bonds of agencies or instrumentalities of any state, territory, possession or any other governmental unit of the United States;
- the obligations of a solvent American institution which are rated investment grade or higher (or the equivalent thereto) by a securities rating agency; and
- certain mortgage backed securities in amounts no greater than five percent of FMTAC's admitted assets.

FMTAC may also invest non-reserve instruments in a broader range of investments including the following general types of obligations:

- certain equities; and
- certain mutual funds.

FMTAC is prohibited from making the following investments:

- investment in an insolvent entity;
- any investment as a general partner; and
- any investment found to be against public policy.

FMTAC investment guidelines do include other investments, but FMTAC has limited itself to the above permissible investments at this time.

4. EMPLOYEE BENEFITS

Pensions — The MTA Related Groups sponsor and participate in several defined benefit pension plans for their employees, the Long Island Railroad Company Plan for Additional Pensions (the "Additional Plan"), the Manhattan and Bronx Surface Transit Operating Authority Pension Plan (the "MaBSTOA Plan"), the Metro-North Commuter Railroad Company Cash Balance Plan (the "MNR Cash Balance Plan"), the Metropolitan Transportation Authority Defined Benefit Pension Plan (the "MTA Defined Benefit Plan"), the New York City Employees' Retirement System ("NYCERS"), and the New York State and Local Employees' Retirement System ("NYSLERS"). A brief description of each of these pension plans follows:

Plan Descriptions

1. Additional Plan —

The Additional Plan is a single-employer defined benefit pension plan that provides retirement, disability and survivor benefits to members and beneficiaries. The Additional Plan covers MTA Long Island Rail Road employees hired effective July 1, 1971 and prior to January 1, 1988. The Additional Plan's activities, including establishing and amending contributions and benefits are administered by the Board of Managers of Pensions. The Additional Plan is a governmental plan and accordingly, is not subject to the funding and other requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Additional Plan is a closed plan.

The Board of Managers of Pensions is composed of the Chairman of the MTA, MTA Chief Financial Officer, MTA Director of Labor Relations and the agency head of each participating Employer or the designee of a member of the Board of Managers. The Additional Plan for Additional Pensions may be amended by action of the MTA Board. The Additional Plan is a fiduciary component unit of the MTA and is reflected in the Pension and Other Employee Benefit Trust Funds section of the MTA's basic financial statements.

The pension plan has a separately issued financial statement that is publicly available and contains required descriptions and supplemental information regarding the employee benefit plan. The financial statements may be obtained at www.mta.info or by writing to, MTA Long Island Rail Road, Controller, 93-02 Sutphin Boulevard – mail code 1421, Jamaica, New York 11435.

2. MaBSTOA Plan —

The MaBSTOA Plan is a single-employer defined benefit governmental retirement plan administered by MTA New York City Transit covering MaBSTOA employees, who are specifically excluded from NYCERS. The Plan provides retirement as well as death, accident and disability benefits. Effective January 1, 1999, in order to afford managerial and non-represented MaBSTOA employees the same pension rights as like title employees in MTA New York City Transit Authority, membership in the MaBSTOA Plan is optional.

The Board of Administration, established in 1963, determines the eligibility of employees and beneficiaries for retirement and death benefits. The MaBSTOA Plan assigns authority to the MaBSTOA Board to modify, amend or restrict the MaBSTOA Plan or to discontinue it altogether, subject, however, to the obligations under its collective bargaining agreements. The Board is composed of five members: two representatives from the Transport Workers Union, Local 100 ("TWU") and three employer representatives. The MaBSTOA Plan is a fiduciary component unit of the MTA and is reflected in the Pension and Other Employee Benefit Trust Funds section of the MTA's basic financial statements.

The pension plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to MTA Comptroller, 2 Broadway, 16th Floor, New York, New York, 10004 or at www.mta.info.

3. MNR Cash Balance Plan —

The MNR Cash Balance Plan is a single employer, defined benefit pension plan administered by MTA Metro-North Railroad. The MNR Cash Balance Plan covers non-collectively bargained employees, formerly employed by Conrail, who joined MTA Metro-North Railroad as management employees between January 1 and June 30, 1983 and were still employed as of December 31, 1988. Effective January 1, 1989, these management employees were covered under the Metro-North Commuter Railroad Defined Contribution Plan for Management Employees (the "Management Plan") and the MNR Cash Balance Plan was closed to new participants. The assets of the Management Plan were merged with the Metropolitan Transportation Authority Defined Benefit Plan for Non-Represented Employees (now titled as the Metropolitan Transportation Authority Defined Benefit Pension Plan) as of the asset transfer date of July 14, 1995. The MNR Cash Balance Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) and 501(a) of the Internal Revenue Code. Accordingly, the MNR Cash Balance Plan is tax-exempt and is not subject to the provisions of ERISA.

The MTA Board of Trustees appoints a Board of Managers of Pensions consisting of five individuals who may, but need not, be officers or employees of the company. The Board of Managers control and manage the operation and administration of the MNR Cash Balance Plan's activities, including establishing and amending contributions and benefits.

Further information about the MNR Cash Balance Plan is more fully described in the separately issued financial statements that can be obtained by writing to MTA Comptroller, 2 Broadway, 16th Floor, New York, New York, 10004. These statements are also available at www.mta.info.

4. *MTA Defined Benefit Plan —*

The MTA Defined Benefit Pension Plan (the "MTA Plan" or the "Plan") is a cost sharing, multiple-employer defined benefit pension plan. The Plan covers certain MTA Long Island Railroad non-represented employees hired after December 31, 1987, MTA Metro-North Railroad non-represented employees, certain employees of the former MTA Long Island Bus hired prior to January 23, 1983, MTA Police, MTA Long Island Railroad represented employees hired after December 31, 1987, certain MTA Metro-North Railroad represented employees, MTA Staten Island Railway represented and non-represented employees and certain employees of the MTA Bus Company ("MTA Bus"). The MTA, MTA Long Island Railroad, MTA Metro-North Railroad, MTA Staten Island Railway and MTA Bus contribute to the MTA Plan, which offers distinct retirement, disability retirement, and death benefit programs for their covered employees and beneficiaries.

The MTA Defined Benefit Plan is administered by the Board of Managers of Pensions. The MTA Plan, including benefits and contributions, may be amended by action of the MTA Board. The MTA Defined Benefit Plan is a fiduciary component unit of the MTA and is reflected in the Pension and Other Employee Benefit Trust Funds section of the MTA's basic financial statements.

The pension plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the MTA Comptroller, 2 Broadway, 16th Floor, New York, New York, 10004 or at www.mta.info.

5. *NYCERS —*

NYCERS is a cost-sharing, multiple-employer retirement system for employees of The City of New York ("The City") and certain other governmental units whose employees are not otherwise members of The City's four other pension systems. NYCERS administers the New York City Employees Retirement System qualified pension plan.

NYCERS was established by an act of the Legislature of the State of New York under Chapter 427 of the Laws of 1920. NYCERS functions in accordance with the governing statutes contained in the New York State Retirement and Social Security Law ("RSSL"), and the Administrative Code of the City of New York ("ACNY"), which are the basis by which benefit terms and employer and member contribution requirements are established and amended. The head of the retirement system is the Board of Trustees. NYCERS is a fiduciary component unit of The City and is in the Pension and Other Employee Benefit Trust Funds section of New York City's Comprehensive Annual Financial Report ("CAFR").

NYCERS issues a publicly available comprehensive annual financial. This report may be obtained by writing to the New York City Employees' Retirement System at 335 Adams Street, Suite 2300, Brooklyn, NY 11201-3724 or at www.nycers.org.

All employees of the Related Group holding permanent civil service positions in the competitive or labor class are required to become members of NYCERS six months after their date of appointment, but may voluntarily elect to join NYCERS prior to their mandated membership date. All other eligible employees have the option of joining NYCERS upon appointment or anytime thereafter. NYCERS members are assigned to a "tier" depending on the date of their membership.

Tier 1	All members who joined prior to July 1, 1973.
Tier 2	All members who joined on or after July 1, 1973 and before July 27, 1976.
Tier 3	Only certain members who joined on or after July 27, 1976 and prior to April 1, 2012
Tier 4	All members (with certain member exceptions) who joined on or after July 27, 1976 but prior to April 1, 2012. Members who joined on or after July 27, 1976 but prior to September 1, 1983 retain all rights and benefits of Tier 3 membership.
Tier 6	Members who joined on or after April 1, 2012.

6. *NYSLERS —*

NYSLERS is a cost-sharing, multiple-employer defined benefit retirement system. The New York State Comptroller's Office administers the NYSLERS' plan. The net position of NYSLERS is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all assets and record changes in fiduciary net position allocated to the plan. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of NYSLERS. NYSLERS' benefits are established under the provisions of the New York State RSSL. Once a public employer elects to participate in NYSLERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

NYSLERS is included in New York State's financial report as a pension trust fund. The report can be accessed on the New York State Comptroller's website at:

www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-001.

Pension legislation enacted in 1973, 1976, 1983, 2009, and 2012 established distinct classes of tier membership.

Tier 1	All members who joined prior to July 1, 1973.
Tier 2	All members who joined on or after July 1, 1973 and before July 27, 1976.
Tier 3	Generally, certain members who joined on or after July 27, 1976 but before January 1, 2010 and all other members who joined on or after July 27, 1976, but before September 1, 1983.
Tier 4	Generally, members (with certain member exceptions) who joined on or after September 1, 1983, but before January 1, 2010.
Tier 5	Members who joined on or after January 1, 2010, but before April 1, 2012.
Tier 6	Members who joined on or after April 1, 2012.

Benefits Provided

1. Additional Plan —

Pension Benefits — An employee who retires under the Additional Plan, either: (a) after completing at least 20 years of credited service, or (b) after both attaining age 65 while in service and completing at least five years of credited service, or in the case of those who were active employees on January 1, 1988, after completing at least 10 years of credited service, is entitled to an annual retirement benefit, payable monthly for life. Payments commence to an employee referred to in: (a) only after attaining age 50, or (b) only after attaining age 65.

Benefit and contribution provisions, which are based on the point in time at which participants last entered qualifying service and their length of credited service, are established by, and may only be amended by the MTA Long Island Rail Road, subject to the obligations of the MTA Long Island Rail Road under its collective bargaining agreements.

The Additional Plan has both contributory and non-contributory requirements, with retirement ages varying from 50 to 65 depending upon a participant's length of credited service. Pension benefits payable to age 65, where eligible, are calculated as 2% of the employee's applicable final average earnings for each year of qualifying service up to 25 years plus 1.5% of applicable final average earnings for each year of qualifying service in excess of 25 years. For pension benefits payable at and after age 65, regardless of whether benefits commenced before or after the employee attained age 65, benefits are calculated in the same manner as pension benefits payable prior to age 65 except that the amount so determined is reduced by a percentage of the employee's annuity (not including any supplemental annuity) value at age 65 under the Federal Railroad Retirement Act.

Participants who entered qualifying service before July 1, 1978 are not required to contribute. Participants who entered qualifying service on or after July 1, 1978, are required to contribute 3% of their wages. The MTA Long Island Railroad contributes additional amounts based on actuarially determined amounts that are designed to accumulate sufficient assets to pay benefits when due.

Death and Disability Benefits — Participants who become disabled after accumulating 10 years of credited service and who meet the requirements as described in the Additional Plan receive a disability benefit. Disability pension benefits are calculated based on the participant's qualifying service and a percentage of final average compensation reduced by the full amount of benefit under the Federal Railroad Retirement Act. Survivorship benefits are paid to the participant's spouse when a survivorship option is elected or when an active participant has not divested his or her spouse of benefits. The survivorship benefit is payable at the time of death or when the vested participant would have attained an eligible age. The amount payable is in the form of an annuity. A lump sum death benefit no greater than five thousand dollars is payable upon death on behalf of a non-vested participant or vested participant whose pension rights were waived.

Retirement benefits establishment and changes for representative employees are collectively bargained and must be ratified by the respective union and the MTA Board. For nonrepresented employees, amendments must be approved by the MTA Board.

2. MaBSTOA Plan —

The MaBSTOA Plan provides retirement as well as death, accident, and disability benefits. The benefits provided by the MaBSTOA Plan are generally similar to the benefits provided to MTA New York City Transit participants in NYCERS. Benefits vest after either 5, 10, or 20 years of credited service, depending on the date of membership.

In 2008, NYCERS had determined that Tier 4 employees are and have been eligible for a post retirement death benefit retroactive to 1986. In June 2012, the MTA Board approved an amendment to the MaBSTOA Plan to provide for incorporation of this benefit.

Tier 1 —

Eligibility and Benefit Calculation: Tier 1 members must be at least age 50 with the completion of 20 years of service to be eligible to collect a service retirement benefit. Generally, the benefit is 1.50% for service before March 1, 1962, plus 2.0% for service from March 1, 1962 to June 30, 1970, plus 2.5% for service after June 30, 1970. The accumulated percentage, up to a maximum of 50%, is multiplied by the member's compensation, which is the greater of earned salary during the year prior to retirement. Once the accumulated reaches 50%, the percentage for each further year of service reverts back to 1.5%. The percentage in excess of 50% is multiplied by the final compensation, which is the highest average earnings over five consecutive years.

Ordinary Disability Benefits — Generally, ordinary disability benefits, are provided to eligible Tier 1 members after ten years of service with the benefit equal to the greater of the service retirement percentages or 25% multiplied by final compensation.

Accidental Disability Benefits — The accidental disability benefit to eligible Tier 1 members is equal to 75% of final compensation reduced by 100% of any worker's compensation payments.

Ordinary Death Benefits — For Tier 1 members the amount of the death benefit is a lump sum equal to six months' pay for members with less than 10 years of service; a lump sum equal to 12 months of pay for members with more than 10 but less than 20 years of service, and a lump sum equal to two times 12 months of pay for members with more than 20 years of service.

Tier 2 —

Eligibility and Benefit Calculation: Tier 2 members must be at least age 55 with the completion of 25 years of service to be eligible to collect a service retirement benefit. Generally, the benefit equals 50% of final 3-year average compensation, defined as the highest average earnings over three consecutive years, plus 1% of final 5-year average compensation, defined as the highest average earnings over five consecutive years, per year of credited service in excess of 20 years. For early retirement, members must be at least age 50 with the completion of at least 20 years of service. The benefit is determined in the same manner as the service retirement but not greater than 2.0% of final 3-year average compensation per year of service.

Ordinary Disability Benefits — Generally, ordinary disability benefits, are provided to eligible Tier 2 members after ten years of service with the benefit equal to the greater of the service retirement percentages or 25% multiplied by the final 5- year average compensation.

Accidental Disability Benefits — The accidental disability benefit to eligible Tier 2 members is equal to 75% of the final 5-year average compensation reduced by any worker's compensation payments.

Ordinary Death Benefits — Tier 2 members require the completion of 90 days of service to receive a lump sum equal to 3 times salary, raised to the next multiple of $1,000 dollars.

Tiers 3, 4 —

Eligibility and Benefit Calculation: Tier 3 and 4 members in the Regular 62 and 5 Plan must be at least age 62 with the completion of at least 5 years of service to be eligible to collect a service retirement benefit. Generally, the benefit for members with at least 20 years of service, is equal to 2.0% of Final Average Compensation ("FAC") for the first 30 years of service plus 1.5% of FAC for years of service in excess of 30. FAC is defined as the highest average earnings over three consecutive years, of which earnings in a year cannot exceed 110% of the average of the two preceding years. If the member completes less than 20 years of credited service, the benefit equals 1- 2/3% of FAC multiplied by years of service. For early retirement, members must be at least age 55 with the completion of at least 5 years of service. The benefit equals the service retirement benefit reduced by 6% for each of the first two years prior to age 62, and by 3% for years prior to age 60.

Tier 3 and 4 members in the basic 55/25Plan must be at least age 55 with the completion of at least 25 years of service, or be at least age 62 with the completion of at least 5 years of service, to be eligible to collect a service retirement benefit. Generally, the benefit for members with at least 25 years of service, is equal to 2.0% of FAC for the first 30 years of service plus 1.5% of FAC for years of service in excess of 30. If the member completes less than 25 years of credited service, the benefit equals 1- 2/3% of FAC multiplied by years of service.

Tier 4 members in the 57/5 Plan must be at least age 57 with the completion of at least 5 years of service to be eligible to collect a service retirement benefit. Generally, the benefit for members with at least 20 years of service, is equal to 2.0% of FAC for the first 30 years of service plus 1.5% of FAC for years of service in excess of 30. If the member completes less than 20 years of credited service, the benefit equals 1- 2/3% of FAC multiplied by years of service.

Ordinary and Accidental Disability Benefits — For eligible members of the Regular 62/5 Plan, 57/25Plan and 57/5 Plan, ordinary and accidental disability benefits, are provided after 10 years of service for ordinary and no service required for accidental disability benefit. The benefit equals the greater of 1-2/3% of FAC per year of service and 1/3 of FAC.

Ordinary Death Benefits — For eligible members of the Regular 62/5 Plan, 55/25 Plan, 57/5 Plan, the pre-retirement ordinary death benefit is equal to a lump sum of annual salary times the lesser of completed years of service and 3. After age 60, the benefit is reduced 5% per year, to a maximum reduction of 50%. Accumulated regular member contributions with interest and one-half of accumulated additional member contributions with interest are also payable. Upon retirement, the post-retirement benefit is reduced by 50% and reduced an additional 25% after completion of one year of retirement. After completion of two years of retirement, the benefit equals 10% of the pre-retirement benefit in force at age 60.

Tier 6 —

Eligibility and Benefit Calculation: Tier 6 members in the 55/25 Special Plan must be at least age 55 with the completion of at least 25 years, or at least age 63 with the completion of at least 10 years of service, to be eligible to collect a service retirement benefit. Generally, the benefit for members with at least 25 years of service, is equal to 2.0% of Final Average Salary ("FAS") for the first 30 years of service plus 1.5% of FAS for years of service in excess of 30. If the member completes less than 20 years of credited service, the benefit equals 1- 2/3% of FAS multiplied by years of service. FAS is defined as the highest average pensionable compensation over five consecutive years.

Tier 6 members in the Basic 63/10 Plan must be at least age 63 with the completion of at least 10 years to be eligible to collect a service retirement benefit. Generally, the benefit for members with at least 20 years of service, is equal to 35% of FAS plus 2.0% of FAS for years of service in excess of 20. If the member completes less than 20 years of credited service, the benefit equals 1- 2/3% of FAS multiplied by years of service. FAS is defined as the highest average pensionable earnings over five consecutive years. For early retirement, members must be at least age 55 with the completion of at least 10 years of service. The benefit equals the service retirement benefit reduced by 6.5% for each year early retirement precedes age 63.

Ordinary and Accidental Disability Benefits — For eligible members of the 55/25 Special Plan and the Basic 63/10 Plan, ordinary and accidental disability benefits, are provided after 10 years of credited service for ordinary disability benefit. There is no service requirement for accidental disability benefit. The benefit equals the greater of 1-2/3% of FAS per year of service and 1/3 of FAS.

Ordinary Death Benefits — For eligible members of the 55/25 Special Plan and the Basic 63/10 Plan, the pre-retirement ordinary death benefit is equal to a lump sum of annual salary times the lesser of completed years of service and 3. After age 60, the benefit is reduced 5% per year, to a maximum reduction of 50%. Accumulated regular member contributions with interest and one-half of accumulated additional member contributions with interest are also payable. Upon retirement, the post-retirement benefit is reduced by 50% and reduced an additional 25% after completion of one year of retirement. After completion of two years of retirement, the benefit equals 10% of the pre-retirement benefit in force at age 60.

3. MNR Cash Balance Plan —

Pension Benefits — Participants of the MNR Cash Balance Plan are vested in their benefit upon the earlier of (a) the completion of 5 years of service with MTA Metro-North Railroad or (b) the attainment of age 62. The accrued benefit is a participant's Initial Account Balance increased each month by the benefit escalator. The benefit escalator is defined as the Pension Benefit Guaranty Corporation ("PBGC") immediate annuity rate in effect for December of the year preceding the year for which the determination is being made) divided by 180. The accrued benefit is paid as an escalating annuity. Vested participants are entitled to receive pension benefits commencing at age sixty-five. Participants may elect to receive the value of their accumulated plan benefits as a lump-sum distribution upon retirement or they may elect a monthly life annuity. Participants may elect to receive their pension in the form of a joint and survivor annuity.

Participants of the MNR Cash Balance Plan are eligible for early retirement benefits upon termination of employment, the attainment of age 62, or age 60 and completion of 15 years of service, or age 55 and the completion of 30 years of service. The early retirement benefits paid is the normal retirement pension deferred to age 65 or an immediate pension equal to the life annuity actuarial equivalent of a participant's escalating annuity at normal retirement date indexed by the Initial Benefit Escalator from early retirement date to normal retirement date and reduced by 5/9 of 1% for each month retirement precedes age 65 up to 60 months and 5/18 of 1% for each month after 60 months.

For members with cash balances who are currently members of the Metropolitan Transportation Authority Defined Benefit Pension Plan, an additional benefit is provided equal to the amount needed to bring their total benefits (i.e., Railroad Retirement Tier I and II benefits, Conrail Plan benefits, Cash Balance Plan benefits, and MTA Defined Benefit Pension Plan benefits) up to a minimum of 65% of their 3-year final average pay under the MTA Defined Benefit Plan. In no event will the Additional Benefit exceed 2% of 3-year final average pay multiplied by the Conrail Management Service prior to July 1, 1983. This benefit is payable as a life annuity and is reduced for commencement prior to age 65 in the same manner as the regular cash balance benefit. This additional benefit is payable only in the form of a life annuity or 100% or 50% contingent annuity

Death Benefits — Benefits are paid to vested participants' beneficiaries in the event of a participants' death. The amount of benefits payable is the participant's account balance at the date of his or her death. Pre-retirement death benefits paid for a participant's death after 55 is equal to the amount the spouse would have received had the participant elected retirement under the normal form of payment on the day preceding his death. Pre-retirement death benefits paid for a participant's death before 55 is equal to the amount the spouse would have received had the participant survived to age 55 and retired under the normal form of payment on that date. The benefit is based on service to the participant's date of death and is payable beginning on the date the participant would have attained age 55.

In lieu of the above benefit, the surviving spouse can elect to receive the participant's account balance in a single lump sum payment immediately. If the participant was not married, the participant's beneficiary is entitled to receive the participant's Account Balance as of the participant's date of death in a single lump sum payment.

4. MTA Defined Benefit Plan —

Pension Benefits — Retirement benefits are paid from the Plan to covered MTA Metro-North Railroad, MTA Staten Island Railway and post - 1987 MTA Long Island Rail Road employees as service retirement allowances or early retirement allowances. A participant is eligible for a service retirement allowance upon termination if the participant satisfied both age and service requirement. A participant is eligible for a service retirement allowance upon termination if the participant satisfied both age and service requirements. A participant is eligible for an early retirement allowance upon termination if the participant has attained age 55 and completed at least 10 years of credited service. Terminated participants with 5 or more years of credited service are eligible for a deferred vested benefit. Deferred vested benefits are payable on an unreduced basis on the first day of the month following the participant's 62nd birthday.

Certain represented employees of the MTA Long Island Rail Road and the MTA Metro-North Railroad continue to make contributions to the Plan for 15 years. Certain represented employees of the MTA Long Island Rail Road and the MTA Metro-North Railroad are eligible for an early retirement allowance upon termination if the participant has attained age 60 and completed at least 5 years of credited service, or has attained age 55 and completed at least 30 years of credited service. The early retirement allowance is reduced one-quarter of 1% per month for each full month that retirement predates age 60 for certain represented employees of the MTA Long Island Rail Road and the MTA Metro-North Railroad.

Effective in 2007, members and certain former members who become (or became) employed by another MTA agency which does not participate in the Plan continue to accrue service credit based on such other employment. Upon retirement, the member's vested retirement benefit from the Plan will be calculated on the final average salary of the subsequent MTA agency, if higher. Moreover, the Plan benefit will be reduced by the benefit, if any, payable by the other plan based on such MTA agency employment. Such member's disability and ordinary death benefit will be determined in the same way.

Retirement benefits are paid from the Plan under the MTA 20-Year Police Retirement Program. A participant is eligible for service retirement at the earlier of completing twenty years of credited Police service or attainment of age 62. Terminated participants with five years of credited police service, who are not eligible for retirement, are eligible for a deferred benefit. Deferred vested benefits are payable on the first of the month following the participant's attainment of age 55.

Retirement benefits paid from the Plan to covered represented MTA Bus employees include service retirement allowances or early retirement allowances. Under the programs covering all represented employees at Baisley Park, Eastchester, La Guardia, Spring Creek, and Yonkers Depots and the represented employees at College Point Depot, JFK, Far Rockaway a participant is eligible for a service retirement allowance upon termination if the participant has attained age sixty-five and completed at least five years of credited service or if the participant has attained age 57 and completed at least 20 years of credited service. A participant hired prior to June 2009 from Baisley Park, College Point, and La Guardia Depots is eligible for an early retirement allowance if the participant has attained age 55 and completed 20 years of credited service. Terminated participants with five or more years of credited service who are not eligible to receive a service retirement allowance or early retirement allowance are eligible for a deferred vested benefit. Deferred vested benefits are payable on an unreduced basis on or after the participant attains age 65.

At Baisley Park, Far Rockaway, JFK, La Guardia and Spring Creek Depots, a participant who is a non-represented employee is eligible for an early retirement allowance upon termination if the participant has attained age 55 and completed 15 years of service. Terminated participants with five or more years of credited service who are not eligible to receive a service retirement allowance or early retirement allowance are eligible for a deferred vested benefit. Deferred vested benefits are payable on an unreduced basis on or after the participant attains age 62.

The MTA Bus retirement programs covering represented and non-represented employees at Eastchester and Yonkers and covering the represented employees at Baisley Park, College Point, Far Rockaway, JFK, La Guardia and Spring Creek are fixed dollar plans, i.e., the benefits are a product of credited service and a specific dollar amount.

The retirement benefits for certain non-represented employees at Baisley Park, Far Rockaway, JFK, La Guardia and Spring Creek are based on final average salary. Certain participants may elect to receive the retirement benefit as a single life annuity or in the form of an unreduced 75% joint and survivor benefit.

Pre-1988 MTA Long Island Rail Road participants are eligible for a service retirement allowance upon termination if the participants has either: (a) attained age sixty-five and completed at least five years of credited service, or if an employee on January 1, 1988 completed at least 10 years of credited service, or (b) attained age fifty and has completed at least 20 years of credited service. Terminated participants who were not employees on January 1, 1988 with five or more years of credited service are eligible for a deferred vested benefit. Pension benefits payable to age 65, where eligible, are calculated as 2% of the employee's applicable final average earnings for each year of qualifying service up to 25 years plus 1.5% of applicable final average earning of each year of qualifying service in excess of 25 years. For pension benefits payable at and after age 65 regardless of whether benefits commenced before or after the employee attained age 65, benefits are calculated in the same manner as pension benefits payable prior to age 65 except that the amount so determined is reduced by a percentage of the employee's annuity (not including supplemental annuity) value at age 65 under the Federal Railroad Retirement Act. The reduction of pension benefits for amounts payable under the Federal Railroad Retirement Act is 50%.

Death and Disability Benefits — In addition to service retirement benefits, participants of the Plan are eligible to receive disability retirement allowances and death benefits. Participants who become disabled may be eligible to receive disability retirement allowances after 10 years of covered MTA Bus service; 10 years of credited service for covered MTA Metro-North Railroad and MTA Long Island Rail Road management and represented employees, covered MTA Staten Island Railway employees and covered MTA police participants.

The disability retirement allowance for covered MTA Metro-North Railroad and MTA Long Island Rail Road management and represented covered MTA Staten Island Railway employees is calculated based on the participant's credited service and final average salary ("FAS") but not less than ⅓ of FAS. Under the MTA 20 Year Police Retirement Program, a disabled participant may be eligible for one of three forms of disability retirement: (a) ordinary disability which is payable if a participant has ten years of credited Police service and is calculated based on the participant's credited Police service and FAS but not less than ⅓ of FAS; (b) performance of duty, which is payable if a participant is disabled in the performance of duty and is ½ of FAS, and (c) accidental disability, which is payable if a participant is disabled as the result of an on-the-job accidental injury and is ¾ of FAS subject to an offset of Workers' Compensation benefits. Pursuant to the MTA Bus programs, the disability benefit is the same as the service retirement benefit.

Pre -1988 MTA Long Island Rail Road participants who become disabled after accumulating 10 years of credited service and who meet the requirements as described in the Plan may be eligible to receive a disability benefit. Disability pension benefits are based on the participant's qualified service and a percentage of final average compensation reduced by the full amount of the disability benefit under the Federal Railroad Retirement Act. Survivorship benefits for pre-1988 MTA Long Island Rail Road participants are paid to the spouse when a survivorship option is elected or when an active participant has not divested their spouse of benefits.

The survivorship benefit is payable at the time of death or when the vested participant would have attained an eligible age. The amount payable is in the form of an annuity. A lump sum death benefit no greater than $5,000 (whole dollars) is payable upon death on behalf of a non-vested participant or vested participant whose pension rights were waived.

Death benefits are paid to the participant's beneficiary in the event of the death of a covered MTA Metro-North Railroad, post-1987 MTA Long Island Rail Road or MTA Staten Island Railway employee after completion of one year of credited service. The death benefit payable is calculated based on a multiple of a participant's salary based on years of credited service up to three years and is reduced beginning at age 61. There is also a post-retirement death benefit which, in the 1st year of retirement, is equal to 50% of the pre-retirement death benefit amount, whichever is greater, 25% the 2nd year and 10% of the death benefit payable at age 60 for the 3rd and later years. For the Police 20 Year Retirement Program, the death benefit is payable after ninety days of credited MTA Police service, and is equal to three times their salary. For non-Police groups, this death benefit is payable in a lump sum distribution while for Police, the member or the beneficiary can elect to have it paid as an annuity. The MTA Police do not have a post retirement benefit.

In the MSBA Employees' Pension Plan, there are special spousal benefits payable upon the death of a participant who is eligible for an early retirement benefit, or a normal service retirement benefit, or who is a vested participant or vested former participant. To be eligible, the spouse and participant must have been married at least one year at the time of death. Where the participant was eligible for an early service retirement benefit or was a vested participant or former participant, the benefit is a pension equal to 40% of the benefit payable to the participant as if the participant retired on the date of death. Where the participant was eligible for a normal service retirement benefit, the eligible spouse can elect either the benefit payable as a pension, as described in the prior sentence, or a lump sum payment based on an actuarially determined pension reserve. If there is no eligible spouse for this pension reserve benefit, a benefit is payable to the participant's beneficiary or estate.

Moreover, an accidental death benefit is payable for the death of a participant who is a covered MTA Metro-North Railroad or post-1987 MTA Long Island Rail Road employee, a covered MTA Staten Island Railway employee or a covered MTA Police member and dies as the result of an on-the-job accidental injury. This death benefit is paid as a pension equal to 50% of the participant's salary and is payable to the spouse for life, or, if none, to children until age eighteen (or twenty-three, if a student), or if none, to a dependent parent.

For MTA Bus employees, there is varied death benefit coverage under the Plan. For all represented and non-represented MTA Bus employees at Eastchester and Yonkers Depots and represented MTA Bus employees at Baisley Park, College Point, Far Rockaway, JFK, La Guardia and Spring Creek Depots, if a participant dies prior to being eligible for a retirement benefit, the participant's beneficiary may elect to receive a refund of the participant's contributions plus interest.

Moreover, the spouses of the above employees who are vested are entitled to a presumed retirement survivor annuity which is based on a 50% Joint and Survivor annuity. The date as of which such annuity is determined and on which it commences varies among the different programs depending on whether the participants are eligible for retirement and for payment of retirement benefits.

In addition, the spouse of a non-represented MTA Bus employee at Spring Creek, JFK, La Guardia, Baisley Park and Far Rockaway, if such employee is age 55 and has 15 years of service and is a terminated member with a vested benefit which is not yet payable, may elect the presumed retirement survivor annuity or 1/2 the participant's accrued benefit paid monthly and terminating on the 60th payment or the spouse's death. The spouse of a non-represented MTA Bus employee at Yonkers Depot may also receive a pre-retirement survivor annuity from the supplemental plan. If there is no such spouse, the actuarial equivalent of such annuity is payable.

Dependent children of MTA Bus employees are also entitled to an annuity based on the spouse's pre-retirement survivor annuity (1/2 of the spouse's annuity is payable to each child, but no more than 100% of the spouse's annuity is payable). In addition, the dependent children of retirees who were MTA Bus employees at these Depots are entitled to an annuity based on the presumed retirement survivor's annuity (25% of the spouse's annuity; but no more than 50% of the spouse's annuity is payable).

Retirement benefits establishment and changes for represented employees are collectively bargained and must be ratified by the respective union and the MTA Board. For nonrepresented employees, retirement benefits establishment and changes are presented to the MTA Board and must be accepted and approved by the MTA Board.

5. NYCERS —

NYCERS provides three main types of retirement benefits: Service Retirements, Ordinary Disability Retirements (non-job-related disabilities) and Accident Disability Retirements (job-related disabilities) to participants generally based on salary, length of service, and member Tiers.

The Service Retirement benefits provided to Tier 1 participants fall into four categories according to the level of benefits provided and the years of service required. Three of the four categories provide annual benefits of 50% to 55% of final salary after 20 or 25 years of service, with additional benefits equal to a specified percentage per year of service (currently 1.2% to 1.7%) of final salary. The fourth category has no minimum service requirement and instead provides an annual benefit for each year of service equal to a specified percentage (currently 0.7% to 1.53%) of final salary.

Tier 2 participants have provisions similar to Tier 1, except that the eligibility for retirement and the salary base for benefits are different and there is a limitation on the maximum benefit.

Tier 3 participants were later mandated into Tier 4, but could retain their Tier 3 rights. The benefits for Tier 3 participants are reduced by one half of the primary Social Security benefit attributable to service, and provides for an automatic annual cost-of- living escalator in pension benefits of not more than 3.0%.

Tier 4 participants upon satisfying applicable eligibility requirements may be mandated or elected, as applicable, into the Basic 62/5 Retirement Plan, the 57/5 Plan, the 55/25 Plan, the Transit 55/25 Plan, the MTA Triborough Bridge and

Tunnel Authority 50/20 Plan, and the Automotive Member 25/50 Plan. These plans provide annual benefits of 40% to 50% of final salary after 20 or 25 years of service, with additional benefits equal to a specified percentage per year of service (currently 1.5% to 2%) of final salary.

Chapter 18 of the Laws of 2012 created Tier 6. These changes increase the retirement age to 63, require member contributions for all years of service, institute progressive member contributions, and lengthen the final average salary period from 3 to 5 years.

NYCERS also provides automatic Cost-of-Living Adjustments ("COLA") for certain retirees and beneficiaries, death benefits; and certain retirees also receive supplemental benefits. Subject to certain conditions, members generally become fully vested as to benefits upon the completion of 5 years of service.

6. NYSLERS —

NYSLERS provides retirement benefits as well as death and disability benefits. Members who joined prior to January 1, 2010 need 5 years of service to be fully vested. Members who joined on or after January 1, 2010 need 10 years of service to be fully vested.

Tiers 1 and 2 —

Eligibility: Tier 1 members generally must be at least age 55 to be eligible for a retirement benefit. There is no minimum service requirement for Tier 1 members. Generally, Tier 2 members must have 5 years of service and be at least age 55 to be eligible for a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months. Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year's compensation used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent greater than the average of the previous two years.

Tiers 3, 4, and 5 —

Eligibility: Most Tier 3 and 4 members must have 5 years of service and be at least age 55 to be eligible for a retirement benefit. Tier 5 members, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous two years.

Tier 6 —

Eligibility: Generally, Tier 6 members must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Final average salary is the average of the wages earned in the five highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous four years.

Disability Benefits — Generally, disability retirement benefits are available to members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets of other benefits depend on a member's tier, years of service, and plan. Ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service. For all eligible Tier 1 and Tier 2 members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits — Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 (whole dollars) of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases — A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for ten years; (iii) all disability retirees, regardless of age, who have been retired for five years; (iv) recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 (whole dollars) of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

Membership

As of January 1, 2019, January 1, 2018 and January 1, 2017, the dates of the most recent actuarial valuations, membership data for the following pension plans are as follows:

Membership at:	**January 1, 2019**	**January 1, 2018**			
	MNR Cash Balance Plan	**Additional Plan**	**MaBSTOA Plan**	**MTA Defined Benefit Plan**	**TOTAL**
Active Plan Members	2	84	8,918	18,631	27,635
Retirees and beneficiaries receiving benefits	25	5,755	5,661	11,132	22,573
Vested formerly active members not yet receiving benefits	15	24	1,000	1,472	2,511
Total	42	5,863	15,579	31,235	52,719

Membership at:	**January 1, 2018**	**January 1, 2017**			
	MNR Cash Balance Plan	**Additional Plan**	**MaBSTOA Plan**	**MTA Defined Benefit Plan**	**TOTAL**
Active Plan Members	2	146	8,739	18,048	26,935
Retirees and beneficiaries receiving benefits	26	5,833	5,523	10,861	22,243
Vested formerly active members not yet receiving benefits	15	28	1,006	1,433	2,482
Total	43	6,007	15,268	30,342	51,660

Contributions and Funding Policy

1. Additional Plan —

Employer contributions are actuarially determined on an annual basis and are recognized when due. The Additional Plan is a defined benefit plan administered by the Board of Pension Managers and is a governmental plan and accordingly, is not subject to the funding and other requirements of ERISA.

Upon termination of employment before retirement, vested participants who have been required to contribute must choose to: (1) receive a refund of their own contributions, including accumulated interest at rates established by the MTA Long Island Railroad's Board of Managers of Pensions (1.5% in 2018 and 2017), or (2) leave their contributions in the Additional Plan until they retire and become entitled to the pension benefits. Non-vested participants who have been required to contribute will receive a refund of their own contributions, including accumulated interest at rates established by the MTA Long Island Railroad's Board of Managers of Pensions (1.5% in 2018 and 2017).

Funding for the Additional Plan by the MTA Long Island Railroad is provided by MTA. Certain funding by MTA is made to the MTA Long Island Railroad on a discretionary basis. The continuance of the MTA Long Island Railroad's funding for the Additional Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

2. MaBSTOA Plan —

The contribution requirements of MaBSTOA Plan members are established and may be amended only by the MaBSTOA Board in accordance with Article 10.01 of the MaBSTOA Plan. MaBSTOA's funding policy for periodic employer contributions is to provide for actuarially determined amounts that are designed to accumulate sufficient assets to pay benefits when due. It is MaBSTOA's policy to fund, at a minimum, the current year's normal pension cost plus amortization of the unfunded actuarial accrued liability.

The MaBSTOA Pension Plan includes the following plans, including the 2000 amendments which are all under the same terms and conditions as NYCERS:

i. Tier 1 and 2 - Basic Plans;

ii. Tier 3 and 4 - 55 and 25 Plan;

iii. Tier 3 and 4 - Regular 62 and 5 Plan;

iv. Tier 4 - 57 and 5 Plan

v. Tier 6 - 55 and 25 Special Plan

vi. Tier 6 - Basic 63 and 10 Plan

For employees, the MaBSTOA Plan has both contributory and noncontributory requirements depending on the date of entry into service. Employees entering qualifying service on or before July 26, 1976, are non-contributing (Tiers 1 and 2). Certain employees entering qualifying service on or after July 27, 1976, are required to contribute 3% of their salary (Tiers 3 and 4).

In March 2012, pursuant to Chapter 18 of the Laws of 2012, individuals joining NYCERS or the MaBSTOA Pension Plan on or after April 1, 2012 are subject to the provisions of Tier 6. The highlights of Tier 6 include:

- Increases in employee contribution rates. The rate varies depending on salary, ranging from 3% to 6% of gross wages. Contributions are made until retirement or separation from service.
- The retirement age increases to 63 and includes early retirement penalties, which reduce pension allowances by 6.5 percent for each year of retirement prior to age 63.
- Vesting after 10 years of credited service; increased from 5 years of credited service under Tier 3 and Tier 4.
- Adjustments of the Pension Multiplier for calculating pension benefits (excluding Transit Operating Employees): the multiplier will be 1.75% for the first 20 years of service, and 2% starting in the 21st year; for an employee who works 30 years, their pension will be 55% of Final Average Salary under Tier 4, instead of 60% percent under Tier 4.
- Adjustments to the Final Average Salary Calculation; the computation changed from an average of the final 3 years to an average of the final 5 years. Pensionable overtime will be capped at $15,000 dollars per year plus an inflation factor.
- Pension buyback in Tier 6 will be at a rate of 6% of the wages earned during the period of buyback, plus 5% compounded annually from the date of service until date of payment.

Pursuant to Section 7.03 of the MaBSTOA Plan, active plan members are permitted to borrow up to 75% of their contributions with interest. Their total contributions and interest remain intact and interest continues to accrue on the full balance. The participant's accumulated contribution account is used as collateral against the loan.

3. MNR Cash Balance Plan —

Funding for the MNR Cash Balance Plan is provided by MTA Metro-North Railroad, a public benefit corporation that receives funding for its operations and capital needs from the MTA and the Connecticut Department of Transportation ("CDOT"). Certain funding by MTA is made to the MTA Metro-North Railroad on a discretionary basis. The continuance of funding for the MNR Cash Balance Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

MTA Metro-North Railroad's funding policy with respect to the MNR Cash Balance Plan was to contribute the full amount of the pension benefit obligation ("PBO") of approximately $2,977 to the trust fund in 1989. As participants retire, the Trustee has made distributions from the MNR Cash Balance Plan. MTA Metro-North Railroad anticipated that no further contributions would be made to the MNR Cash Balance Plan. However, due to changes in actuarial assumptions and market performance, additional contributions were made to the MNR Cash Balance Plan in several subsequent years.

4. *MTA Defined Benefit Plan —*

Employer contributions are actuarially determined on an annual basis. Amounts recognized as receivables for contributions include only those due pursuant to legal requirements. Employee contributions to the MTA Defined Benefit Plan are recognized in the period in which the contributions are due. There are no contributions required under the Metropolitan Suburban Bus Authority Employee's Pension Plan.

The following summarizes the employee contributions made to the MTA Defined Benefit Plan:

Effective January 1, 1994, covered MTA Metro-North Railroad and MTA Long Island Railroad non-represented employees are required to contribute to the MTA Plan to the extent that their Railroad Retirement Tier II employee contribution is less than the pre-tax cost of the 3% employee contributions. Effective October 1, 2000, employee contributions, if any, were eliminated after ten years of making contributions to the MTA Plan. MTA Metro-North Railroad employees may purchase prior service from January 1, 1983 through December 31, 1993 and MTA Long Island Railroad employees may purchase prior service from January 1, 1988 through December 31, 1993 by paying the contributions that would have been required of that employee for the years in question, calculated as described in the first sentence, had the MTA Plan been in effect for those years.

Police Officers who become participants of the MTA Police Program prior to January 9, 2010 contribute to that program at various rates. Police Officers who become participants on or after January 9, 2010, but before April 1, 2012 contribute 3% up to the completion of 30 years of service, the maximum amount of service credit allowed. Police Officers who become participants on or after April 1, 2012 contribute 3%, with additional new rates starting April 2013, ranging from 3.5%, 4.5%, 5.75%, to 6%, depending on salary level, for their remaining years of service.

Covered MTA Metro-North Railroad represented employees and MTA Long Island Railroad represented employees who first became eligible to be MTA Plan participants prior to January 30, 2008 contribute 3% of salary. MTA Staten Island Railway employees contribute 3% of salary except for represented employees hired on or after June 1, 2010 who contribute 4%. MTA Long Island Railroad represented employees who became participants after January 30, 2008 contribute 4% of salary. For the MTA Staten Island Railway employees, contributions are not required after the completion of ten years of credited service. MTA Long Island Railroad represented employees are required to make the employee contributions for ten years, or fifteen years if hired after certain dates in 2014 as per collective bargaining agreements. Certain Metro-North represented employees, depending on their collective bargaining agreements, are required to make the employee contributions until January 1, 2014, January 1, 2017, June 30, 2017, or the completion of required years of credited service as per the relevant collective bargaining agreements.

Covered MTA Bus represented employees and certain non-represented employees are required to contribute a fixed dollar amount, which varies, by depot. Currently, non-represented employees at certain Depots, contribute $21.50 (whole dollars) per week. Non-represented employees at Eastchester hired prior to 2007 contribute $25 (whole dollars) per week. Represented employees at Baisley Park, College Point, Eastchester, Far Rockaway, JFK, LaGuardia and Yonkers Depots contribute $29.06 (whole dollars) per week; Spring Creek represented employees contribute $32.00 (whole dollars) per week. Certain limited number of represented employees promoted prior to the resolution of a bargaining impasse continue to participate in the MTA Defined Benefit Plan that was in effect before their promotion. Certain MTA Bus non-represented employees who are formerly employed by the private bus companies (Jamaica, Green, Triboro and Command) at Baisley Park, Far Rockaway, JFK, LaGuardia and Spring Creek Depots who are in the pension program covering only such employees make no contributions to the program. (Note: the dollar figures in this paragraph are in dollars, not in millions of dollars).

5. *NYCERS —*

NYCERS funding policy is to contribute statutorily-required contributions ("Statutory Contributions"), determined by the Chief Actuary for the New York City Retirement Systems, in accordance with State statutes and City laws, and are generally funded by employers within the appropriate Fiscal Year. The Statutory Contributions are determined under the One-Year Lag Methodology ("OYLM"). Under OYLM, the actuarial valuation date is used for calculating the Employer Contributions for the second following Fiscal Year. Statutory Contributions are determined annually to be an amount that, together with member contributions and investment income, provides for NYCERS' assets to be sufficient to pay benefits when due.

Member contributions are established by law. NYCERS has both contributory and noncontributory requirements, with retirement age varying from 55 to 70 depending upon when an employee last entered qualifying service.

In general, Tier 1 and Tier 2 member contribution rates are dependent upon the employee's age at membership and retirement plan election. In general, Tier 3 and Tier 4 members make basic contributions of 3.0% of salary, regardless of age at membership. Effective October 1, 2000, in accordance with Chapter 126 of the Laws of 2000, these members, except for certain Transit Authority employees enrolled in the Transit 20-Year Plan, are not required to make basic contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier. In addition, members who meet certain eligibility requirements will receive one month's additional service credit for each completed year of service up to a maximum of two additional years of service credit. Effective December 2000, certain Transit Authority Tier 3 and Tier 4 members make basic member contributions of 2.0% of salary, in accordance with Chapter 10 of the Laws of 2000. Certain Tier 2, Tier 3 and Tier 4 members who are participants in special retirement plans are required to make additional member contributions of 1.85%, in addition to their base membership contribution. Tier 6 members are mandated to contribute between 3.0% and 6.0% of salary, depending on salary level, until they separate from City service or until they retire.

NYCERS established a "special program" for employees hired on or after July 26, 1976. A plan for employees, who have worked 20 years, and reached age 50, is provided to Bridge and Tunnel Officers, Sergeants and Lieutenants and Maintainers. Also, an age 57 retirement plan is available for all other such MTA Bridges and Tunnels employees. Both these plans required increased employee contributions.

Certain retirees also receive supplemental benefits from MTA Bridges and Tunnels. Certain participants are permitted to borrow up to 75% of their own contributions including accumulated interest. These loans are accounted for as reductions in such participants' contribution accounts. Upon termination of employment before retirement, certain members are entitled to refunds of their own contributions, including accumulated interest, less any outstanding loan balances.

MTA New York City Transit and MTA Bridges and Tunnels are required to contribute at an actuarially determined rate. The contribution requirements of plans members, MTA New York City Transit and MTA Bridges and Tunnels are established and amended by law.

6. NYSLERS —

Employer Contributions - Under the authority of the RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the NYSLERS fiscal year ending June 30.

Member Contributions - NYSLERS is noncontributory except for employers who joined the plan after July 27, 1976. Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to NYSLERS. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with NYSLERS, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

MTAHQ, MTA Construction and Development, and MTA Long Island Bus are required to contribute at an actuarially determined rate.

A summary of the aggregate actual contributions made to each pension plan for the years ended December 31, 2019 and 2018 are as follows:

Year-ended December 31,	**2019**	**2018**
($ in millions)	Actual Employer Contributions	Actual Employer Contributions
Additional Plan	$ 62.8	$ 59.5
MaBSTOA Plan	206.4	205.4
MNR Cash Balance Plan	- *	- *
MTA Defined Benefit Plan	343.9	339.8
NYCERS	952.6	807.1
NYSLERS	14.9	14.5
Total	$ 1,580.6	$ 1,426.3

*MNR Cash Balance Plan's actual employer contribution for the years ended December 31, 2019 and 2018 was $0 thousand and $5 thousand, respectively.

Net Pension Liability

The MTA's net pension liabilities for each of the pension plans reported at December 31, 2019 and 2018 were measured as of the fiscal year-end dates for each respective pension plan. The total pension liabilities used to calculate those net pension liabilities were determined by actuarial valuations as of each pension plan's valuation date, and rolled forward to the respective year-ends for each pension plan. Information about the fiduciary net position of each qualified pension plan's fiduciary net position has been determined on the same basis as reported by each respective qualified pension plan. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the respective qualified pension plan, and investments are reported at fair value. The following table provides the measurement and valuation dates used by each pension plan to calculate the MTA's aggregate net pension liability.

Pension Plan	Plan Measurement Date	Plan Valuation Date	Plan Measurement Date	Plan Valuation Date
Additional Plan	December 31, 2018	January 1, 2018	December 31, 2017	January 1, 2017
MaBSTOA Plan	December 31, 2018	January 1, 2018	December 31, 2017	January 1, 2017
MNR Cash Balance Plan	December 31, 2018	January 1, 2019	December 31, 2017	January 1, 2018
MTA Defined Benefit Plan	December 31, 2018	January 1, 2018	December 31, 2017	January 1, 2017
NYCERS	June 30, 2019	June 30, 2018	June 30, 2018	June 30, 2016
NYSLERS	March 31, 2019	April 1, 2018	March 31, 2018	April 1, 2017

Pension Plan Fiduciary Net Position

Detailed information about the fiduciary net position of the Additional Plan, MaBSTOA Plan, MNR Cash Balance Plan, MTA Defined Benefit Plan, NYCERS plan and the NYSLERS plan is available in the separately issued pension plan financial reports for each respective plan.

Actuarial Assumptions

The total pension liabilities in each pension plan's actuarial valuation dates were determined using the following actuarial assumptions for each pension plan, applied to all periods included in the measurement date:

	Additional Plan		MaBSTOA Plan		MNR Cash Balance Plan	
Valuation Date:	**January 1, 2018**	**January 1, 2017**	**January 1, 2018**	**January 1, 2017**	**January 1, 2019**	**January 1, 2018**
Investment Rate of Return	7.00% per annum, net of investment expenses.	7.00% per annum, net of investment expenses.	7.00% per annum, net of investment expenses.	7.00% per annum, net of investment expenses.	4.00% per annum, net of investment expenses.	4.00% per annum, net of investment expenses.
Salary Increases	3.00%	3.00%	Reflecting general wage, merit and promotion increases of 3.5% for operating employees and 4.0% for non- operating employees per year. Larger increases are assumed in the first 5 years of a member's career.	Reflecting general wage, merit and promotion increases of 3.5% for operating employees and 4.0% for non- operating employees per year. Larger increases are assumed in the first 5 years of a member's career.	Not applicable	Not applicable
Inflation	2.50%; 3.50% for Railroad Retirement Wage Base.	2.50%; 3.50% for Railroad Retirement Wage Base.	2.50%.	2.50%.	2.50%	2.30%
Cost-of Living Adjustments	Not applicable	Not applicable	1.375% per annum.	1.375% per annum.	Not applicable	Not applicable

	MTA Defined Benefit Plan		NYCERS		NYSLERS	
Valuation Date:	**January 1, 2018**	**January 1, 2017**	**June 30, 2018**	**June 30, 2016**	**April 1, 2018**	**April 1, 2017**
Investment Rate of Return	7.00% per annum, net of investment expenses.	7.00% per annum, net of investment expenses.	7.00% per annum, net of expenses.	7.00% per annum, net of expenses.	7.00% per annum, including inflation, net of investment expenses.	7.00% per annum, including inflation, net of investment expenses.
Salary Increases	Varies by years of employment, and employee group; 3.0% General Wage Increases for TWU Local 100 MTA Bus hourly employees.	Varies by years of employment, and employee group; 3.0% General Wage Increases for TWU Local 100 MTA Bus hourly employees.	In general, merit and promotion increases plus assumed General Wage increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage increases of 3.0% per year.	3.8% in ERS, 4.5% in PFRS	3.8% in ERS, 4.5% in PFRS
Inflation	2.50%; 3.50% for Railroad Retirement Wage Base.	2.50%; 3.00% for Railroad Retirement Wage Base.	2.50%	2.50%	2.50%	2.50%
Cost-of Living Adjustments	55% of inflation assumption or 1.375%, if applicable.	55% of inflation assumption or 1.375%, if applicable.	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees.	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees.	1.30% per annum.	1.30% per annum.

Mortality

Additional Plan / MaBSTOA Plan/ MNR Cash Balance Plan and MTA Defined Benefit Plan:

The actuarial assumptions used in the January 1, 2019, 2018, and 2017 valuations for the MTA plans are based on an experience study covering the period from January 1, 2006 to December 31, 2011. The mortality assumption used in the January 1, 2019, 2018, and 2017 valuations are based on an experience study for all MTA plans covering the period from January 1, 2011 to December 31, 2015. The pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA, as recommended by the Society of Actuaries Retirement Plans Experience Committee. As generational tables, they reflect mortality improvements both before and after the measurement date.

Pre-retirement: The MTA plans utilized RP-2000 Employee Mortality Table for Males and Females with Blue collar adjustments.

Post-retirement Healthy Lives: Assumption utilized 95% of RP-2000 Healthy Annuitant mortality table for males with Blue Collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.

Post-retirement Disabled Lives: Assumption utilized in the January 1, 2018 and 2017 valuation was the RP-2014 Disabled Annuitant mortality table for males and females. This assumption was not applicable for the Additional Plan and the MNR Cash Balance Plan.

NYCERS:

Pursuant to Section 96 of the New York City Charter, an independent actuarial firm conducts studies of the actuarial assumptions used to value liabilities of the NYCERS pension plan every two years. In accordance, with the Administrative Code of the City of New York ("ACNY"), the Board of Trustees of NYCERS are to periodically review and adopt actuarial assumptions as proposed by the Actuary for use in the determination of Employer Contributions.

Mortality tables for service and disability pensioners were developed from experience studies of the NYCERS Plan. The mortality tables for beneficiaries were developed from an experience review.

The actuarial assumptions used in the June 30, 2018 and June 30, 2016 valuations are based, in part, on the Gabriel, Roeder, Smith & Company ("GRS") report, on published studies of mortality improvement, and on input from the NYC's outside consultants and auditors, the Actuary proposed, and the Board of Trustees of NYCERS adopted, new post-retirement mortality tables for use in determining employer contributions beginning in Fiscal Year 2016. The new tables of post-retirement are based primarily on the experience of NYCERS and the application of the Mortality Improvement Scale MP-2015, published by the Society of Actuaries in October 2015. Scale MP-2015 replaced Mortality Improvement Scale AA.

NYSLERS:

The actuarial assumptions used in the April 1, 2018 and April 1, 2017 valuations are based on the results of an actuarial experience study for the period April 1, 2010 through March 31, 2015. The annuitant mortality rates are based on the results of the 2015 experience study of the period April 1, 2010 through March 31, 2015, with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments for each pension plan is presented in the following table.

Pension Plan	Plan Measurement Date	Rate
Additional Plan	December 31, 2018	7.00%
MaBSTOA Plan	December 31, 2018	7.00%
MNR Cash Balance Plan	December 31, 2018	4.00%
MTA Defined Benefit Plan	December 31, 2018	7.00%
NYCERS	June 30, 2019	7.00%
NYSLERS	March 31, 2019	7.00%

For the Additional Plan, MaBSTOA Plan, MNR Cash Balance Plan, MTA Defined Benefit Plan, NYCERS plan and NYSLERS plan, the long-term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation of each of the funds and the expected real rate of returns ("RROR") for each of the asset classes are summarized in the following tables for each of the pension plans:

	Additional Plan		MaBSTOA Plan	
Asset Class	Target Asset Allocation	Long - Term Expected Real Rate of Return	Target Asset Allocation	Long - Term Expected Real Rate of Return
US Core Fixed Income	9.00%	2.03%	9.00%	2.03%
US Long Bonds	1.00%	2.44%	1.00%	2.44%
US Bank / Leveraged Loans	7.00%	3.08%	7.00%	3.08%
US Inflation-Indexed Bonds	2.00%	1.16%	2.00%	1.16%
US High Yield Bonds	4.00%	3.93%	4.00%	3.93%
Emerging Markets Bonds	2.00%	3.76%	2.00%	3.76%
US Large Caps	12.00%	4.71%	12.00%	4.71%
US Small Caps	6.00%	5.93%	6.00%	5.93%
Foreign Developed Equity	12.00%	6.15%	12.00%	6.15%
Emerging Markets Equity	5.00%	8.22%	5.00%	8.22%
Global REITs	1.00%	5.80%	1.00%	5.80%
Private Real Estate Property	4.00%	3.69%	4.00%	3.69%
Private Equity	9.00%	9.50%	9.00%	9.50%
Commodities	1.00%	2.85%	1.00%	2.85%
Hedge Funds - MultiStrategy	16.00%	3.28%	16.00%	3.28%
Hedge Funds - Event-Driven	6.00%	3.38%	6.00%	3.38%
Hedge Funds - Equity Hedge	3.00%	3.85%	3.00%	3.85%
	100.00%		100.00%	
Assumed Inflation - Mean		2.50%		2.50%
Assumed Inflation - Standard Deviation		1.65%		1.65%
Portfolio Nominal Mean Return		7.19%		7.19%
Portfolio Standard Deviation		10.87%		10.87%
Long Term Expected Rate of Return selected by MTA		7.00%		7.00%

	MTA Defined Benefit Plan		MNR Cash Balance Plan	
Asset Class	Target Asset Allocation	Long - Term Expected Real Rate of Return	Target Asset Allocation	Long - Term Expected Real Rate of Return
US Core Fixed Income	9.00%	2.03%	100.00%	1.58%
US Long Bonds	1.00%	2.44%	-	-
US Bank / Leveraged Loans	7.00%	3.08%	-	-
US Inflation-Indexed Bonds	2.00%	1.16%	-	-
US High Yield Bonds	4.00%	3.93%	-	-
Emerging Markets Bonds	2.00%	3.76%	-	-
US Large Caps	12.00%	4.71%	-	-
US Small Caps	6.00%	5.93%	-	-
Foreign Developed Equity	12.00%	6.15%	-	-
Emerging Markets Equity	5.00%	8.22%	-	-
Global REITs	1.00%	5.80%	-	-
Private Real Estate Property	4.00%	3.69%	-	-
Private Equity	9.00%	9.50%	-	-
Commodities	1.00%	2.85%	-	-
Hedge Funds - MultiStrategy	16.00%	3.28%	-	-
Hedge Funds - Event-Driven	6.00%	3.38%	-	-
Hedge Funds - Equity Hedge	3.00%	3.85%	-	-
	100.00%		100.00%	
Assumed Inflation - Mean		2.50%		2.50%
Assumed Inflation - Standard Deviation		1.65%		1.65%
Portfolio Nominal Mean Return		7.19%		4.09%
Portfolio Standard Deviation		10.87%		3.90%
Long Term Expected Rate of Return selected by MTA		7.00%		4.00%

	NYCERS		NYSLERS	
Asset Class	Target Asset Allocation	Long - Term Expected Real Rate of Return	Target Asset Allocation	Long - Term Expected Real Rate of Return
U.S. Public Market Equities	29.00%	7.00%	36.00%	4.55%
International Public Market Equities	13.00%	7.10%	14.00%	6.35%
Emerging Public Market Equities	7.00%	9.40%	0.00%	0.00%
Private Market Equities	7.00%	10.50%	10.00%	7.50%
Fixed Income	33.00%	2.20%	17.00%	1.31%
Alternatives (Real Assets, Hedge Funds)	11.00%	5.70%	3.00%	5.29%
Real Estate	-	-	10.00%	5.55%
Absolute Return Strategies	-	-	2.00%	3.75%
Opportunistic Portfolio	-	-	3.00%	5.68%
Cash	-	-	1.00%	-0.25%
Inflation-indexed Bonds	-	-	4.00%	1.25%
	100.00%		100.00%	
Assumed Inflation - Mean		2.50%		2.50%
Long Term Expected Rate of Return		7.00%		7.00%

Discount rate

The discount rate used to measure the total pension liability of each pension plan is presented in the following table:

Year ended December 31,	**Discount Rate**			
	2019		**2018**	
Pension Plan	**Plan Measurement Date**	**Rate**	**Plan Measurement Date**	**Rate**
Additional Plan	December 31, 2018	7.00%	December 31, 2017	7.00%
MaBSTOA Plan	December 31, 2018	7.00%	December 31, 2017	7.00%
MNR Cash Balance Plan	December 31, 2018	4.00%	December 31, 2017	4.00%
MTA Defined Benefit Plan	December 31, 2018	7.00%	December 31, 2017	7.00%
NYCERS	June 30, 2019	7.00%	June 30, 2018	7.00%
NYSLERS	March 31, 2019	7.00%	March 31, 2018	7.00%

The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each pension plan and that employer contributions will be made at the rates determined by each pension plan's actuary. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability – Additional Plan, MaBSTOA Plan, MNR Cash Balance Plan and the MTA Defined Benefit Plan

Changes in the MTA's net pension liability for the Additional Plan, MaBSTOA Plan, MNR Cash Balance Plan and the MTA Defined Benefit Plan for the year ended December 31, 2019, based on the December 31, 2018 measurement date, and for the year ended December 31, 2018, based on the December 31, 2017 measurement date, were as follows:

	Additional Plan			MaBSTOA Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(in thousands)					
Balance as of December 31, 2017	$ 1,471,828	$ 951,327	$ 520,501	$ 3,676,476	$ 2,918,989	$ 757,487
Changes for fiscal year 2018:						
Service Cost	1,057	-	1,057	86,979	-	86,979
Interest on total pension liability	97,611	-	97,611	256,084	-	256,084
Effect of economic /demographic (gains) or losses	213	-	213	5,412	-	5,412
Benefit payments	(159,565)	(159,565)	-	(213,827)	(213,827)	-
Administrative expense	-	(1,180)	1,180	-	(196)	196
Member contributions	-	333	(333)	-	21,955	(21,955)
Net investment income	-	(31,098)	31,098	-	(87,952)	87,952
Employer contributions	-	59,500	(59,500)	-	205,433	(205,433)
Balance as of December 31, 2018	$ 1,411,144	$ 819,317	$ 591,827	$ 3,811,124	$ 2,844,402	$ 966,722

	Additional Plan			MaBSTOA Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(in thousands)					
Balance as of December 31, 2016	$ 1,526,304	$ 777,217	$ 749,087	$ 3,536,747	$ 2,555,735	$ 981,012
Changes for fiscal year 2017:						
Service Cost	1,874	-	1,874	84,394	-	84,394
Interest on total pension liability	101,477	-	101,477	246,284	-	246,284
Effect of economic /demographic (gains) or losses	1,890	-	1,890	11,826	-	11,826
Effect of assumption changes or inputs	-			6,347	-	6,347
Benefit payments	(159,717)	(159,717)	-	(209,122)	(209,122)	-
Administrative expense	-	(1,070)	1,070	-	(207)	207
Member contributions	-	760	(760)	-	19,713	(19,713)
Net investment income	-	112,614	(112,614)	-	350,186	(350,186)
Nonemployer contributions	-	145,000	(145,000)	-	-	-
Employer contributions	-	76,523	(76,523)	-	202,684	(202,684)
Balance as of December 31, 2017	$ 1,471,828	$ 951,327	$ 520,501	$ 3,676,476	$ 2,918,989	$ 757,487

	MNR Cash Balance Plan			MTA Defined Benefit Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(in thousands)					
Balance as of December 31, 2017	$ 528	$ 523	$ 5	$ 5,072,814	$ 4,051,534	$ 1,021,280
Changes for fiscal year 2018:						
Service Cost	-	-	-	162,273	-	162,273
Interest on total pension liability	20	-	20	358,118	-	358,118
Effect of plan changes	-	-	-	61,890	-	61,890
Effect of economic / demographic (gains) or losses	(11)	-	(11)	75,744	-	75,744
Benefit payments	(58)	(58)	-	(242,349)	(242,349)	-
Administrative expense	-	-	-	-	(3,152)	3,152
Member contributions	-	-	-	-	29,902	(29,902)
Net investment income	-	1	(1)	-	(150,422)	150,422
Employer contributions	-	5	(5)	-	338,967	(338,967)
Balance as of December 31, 2018	$ 479	$ 471	$ 8	$ 5,488,490	$ 4,024,480	$ 1,464,010

	MNR Cash Balance Plan			MTA Defined Benefit Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(in thousands)					
Balance as of December 31, 2016	$ 566	$ 574	$ (8)	$ 4,761,877	$ 3,419,971	$ 1,341,906
Changes for fiscal year 2017:						
Service Cost	-	-	-	148,051	-	148,051
Interest on total pension liability	21	-	21	335,679	-	335,679
Effect of plan changes	-	-	-	76,511	-	76,511
Effect of economic / demographic (gains) or losses	12	-	12	(27,059)	-	(27,059)
Effect of assumption changes or inputs	-	-	-	10,731	-	10,731
Benefit payments	(71)	(71)	-	(232,976)	(232,976)	-
Administrative expense	-	-	-	-	(4,502)	4,502
Member contributions	-	-	-	-	31,027	(31,027)
Net investment income	-	20	(20)	-	516,153	(516,153)
Employer contributions	-	-	-	-	321,861	(321,861)
Balance as of December 31, 2017	$ 528	$ 523	$ 5	$ 5,072,814	$ 4,051,534	$ 1,021,280

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the MTA's net pension liability calculated for the Additional Plan, MaBSTOA Plan, MNR Cash Balance Plan and the MTA Defined Benefit Plan using the discount rate as of each measurement date, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for each measurement date:

Measurement Date:	**December 31, 2018**			**December 31, 2017**		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
	(in thousands)			(in thousands)		
Additional Plan	$ 701,222	$ 591,827	$ 496,547	$ 636,713	$ 520,501	$ 419,474
MaBSTOA Plan	1,388,193	966,722	607,684	1,166,477	757,487	409,121
MTA Defined Benefit Plan	2,146,497	1,464,010	888,282	1,648,216	1,021,280	492,284

	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)
	(in whole dollars)			(in whole dollars)		
MNR Cash Balance Plan	$ 35,157	$ 8,252	$ (15,544)	$ 35,109	$ 5,235	$ (21,154)

The MTA's Proportion of Net Pension Liability – NYCERS and NYSLERS

The following table presents the MTA's proportionate share of the net pension liability of NYCERS based on the June 30, 2018 and June 30, 2016 actuarial valuations, rolled forward to June 30, 2019 and June 30, 2018, respectively, and the proportion percentage of the aggregate net pension liability allocated to the MTA:

	NYCERS	
	June 30, 2019	June 30, 2018
	($ in thousands)	
MTA's proportion of the net pension liability	24.493%	23.682%
MTA's proportionate share of the net pension liability	$ 4,536,510	$ 4,176,941

The following table presents the MTA's proportionate share of the net pension liability of NYSLERS based on the April 1, 2019 and April 1, 2018 actuarial valuations, rolled forward to March 31, 2019 and March 31, 2018, respectively, and the proportion percentage of the aggregate net pension liability allocated to the MTA:

	NYSLERS	
	March 31, 2019	March 31, 2018
	($ in thousands)	
MTA's proportion of the net pension liability	0.345%	0.327%
MTA's proportionate share of the net pension liability	$ 24,472	$ 10,553

The MTA's proportion of each respective Plan's net pension liability was based on the MTA's actual required contributions made to NYCERS for the plan's fiscal year-end June 30, 2019 and 2018 and to NYSLERS for the plan's fiscal year-end March 31, 2019 and 2018, relative to the contributions of all employers in each plan.

Sensitivity of the MTA's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the MTA's proportionate share of the net pension liability for NYCERS and NYSLERS calculated using the discount rate as of each measurement date, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used as of each measurement date ($ in thousands):

Measurement Date:	**June 30, 2019**			**June 30, 2018**		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
NYCERS	$ 6,997,746	$ 4,536,510	$ 2,458,418	$ 6,402,891	$ 4,176,941	$ 2,298,962

Measurement Date:	**March 31, 2019**			**March 31, 2018**		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
NYSLERS	$ 106,997	$ 24,472	$ (44,854)	$ 79,847	$ 10,553	$ (48,067)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the nine-month period ended September 30, 2020 and year ended December 31, 2019, the MTA recognized pension expense related to each pension plan as follows (in $ thousands):

Pension Plan	**September 30, 2020**	**December 31, 2019**
Additional Plan	$ 47,250	$ 57,499
MaBSTOA Plan	146,527	160,176
MNR Cash Balance plan	-	(3)
MTA Defined Benefit Plan	261,289	391,556
NYCERS	659,346	926,721
NYSLERS	11,279	17,569
Total	**$ 1,125,691**	**$ 1,553,518**

For the nine-month period ended September 30, 2020 and year ended December 31, 2019, the MTA reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows (in $ thousands):

For the Period Ended September 30, 2020	**Additional Plan**		**MaBSTOA Plan**		**MNR Cash Balance Plan**		**MTA Defined Benefit Plan**	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -	$ 20,188	$ 25,455	$ -	$ -	$ 181,199	$ 20,403
Changes in assumptions	-	-	4,394	-	-	-	8,081	37,113
Net difference between projected and actual earnings on pension plan investments	50,828	-	148,979	-	24	-	226,387	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-	-	-	36,724	36,724
Employer contributions to the plan subsequent to the measurement of net pension liability	62,774	-	185,885	-	-	-	354,297	-
Total	$ 113,602	$ -	$ 359,446	$ 25,455	$ 24	$ -	$ 806,688	$ 94,240

For the Period Ended September 30, 2020	**NYCERS**		**NYSLERS**		**TOTAL**	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 379,340	$ 315,130	$ 4,819	$ 1,643	$ 585,546	$ 362,631
Changes in assumptions	2,898	190,222	6,152	-	21,525	227,335
Net difference between projected and actual earnings on pension plan investments	-	281,488	-	6,281	426,218	287,769
Changes in proportion and differences between contributions and proportionate share of contributions	163,385	19,945	3,827	-	203,936	56,669
Employer contributions to the plan subsequent to the measurement of net pension liability	443,262	-	14,851	-	1,061,069	-
Total	$ 988,885	$ 806,785	$ 29,649	$ 7,924	$ 2,298,294	$ 934,404

For the Year Ended December 31, 2019	Additional Plan		MaBSTOA Plan		MNR Cash Balance Plan		MTA Defined Benefit Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -	$ 20,188	$ 25,455	$ -	$ -	$ 181,199	$ 20,403
Changes in assumptions	-	-	4,394	-	-	-	8,081	37,113
Net difference between projected and actual earnings on pension plan investments	50,828	-	148,979	-	24	-	226,387	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-	-	-	36,724	36,724
Employer contributions to the plan subsequent to the measurement of net pension liability	62,773	-	206,390	-	-	-	343,871	-
Total	$ 113,601	$ -	$ 379,951	$ 25,455	$ 24	$ -	$ 796,262	$ 94,240

For the Year Ended December 31, 2019	NYCERS		NYSLERS		TOTAL	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 379,340	$ 315,130	$ 4,819	$ 1,643	$ 585,546	$ 362,631
Changes in assumptions	2,898	190,222	6,152	-	21,525	227,335
Net difference between projected and actual earnings on pension plan investments	-	281,488	-	6,281	426,218	287,769
Changes in proportion and differences between contributions and proportionate share of contributions	163,385	19,945	3,827	-	203,936	56,669
Employer contributions to the plan subsequent to the measurement of net pension liability	478,069	-	14,851	-	1,105,954	-
Total	$ 1,023,692	$ 806,785	$ 29,649	$ 7,924	$ 2,343,179	$ 934,404

The annual differences between the projected and actual earnings on investments are amortized over a five-year closed period beginning the year in which the difference occurs.

The following table presents the recognition periods used by each pension plan to amortize the annual differences between expected and actual experience, changes in proportion and differences between employer contributions and proportionate share of contributions, and changes in actuarial assumptions, beginning the year in which the deferred amount occurs.

Recognition Period (in years) **Pension Plan**	**Differences between expected and actual experience**	**Changes in proportion and differences between employer contributions and proportionate share of contributions**	**Changes in actuarial assumptions**
Additional Plan	1.00	N/A	N/A
MaBSTOA Plan	6.50	N/A	N/A
MNR Cash Balance Plan	1.00	N/A	N/A
MTA Defined Benefit Plan	8.20	8.20	N/A
NYCERS	6.10	6.10	6.10
NYSLERS	5.00	5.00	5.00

For the nine-month period ended September 30, 2020 and year ended December 31, 2019, $1,061.1 and $1,106.0 were reported as deferred outflows of resources related to pensions resulting from the MTA's contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending December 31, 2020 and December 31, 2019, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2019 will be recognized as pension expense as follows:

Year Ending December 31:	**Additional Plan**	**MaBSTOA Plan**	**MNR Cash Balance plan**	**MTA Defined Benefit Plan**	**NYCERS**	**NYSLERS**	**Total**
				(in thousands)			
2020	$ 17,116	$ 45,985	$ 11	$ 103,010	$ (67,848)	$ 6,673	$ 104,947
2021	6,656	9,282	6	51,099	(198,105)	(3,822)	(134,884)
2022	8,227	26,928	4	56,798	(50,325)	328	41,960
2023	18,829	63,265	4	110,137	(15,141)	3,694	180,788
2024	-	2,230	-	17,934	63,793	-	83,957
Thereafter	-	416	-	19,171	6,465	-	26,053
	$ 50,828	$ 148,106	$ 25	$ 358,149	$ (261,161)	$ 6,873	$ 302,821

Deferred Compensation Program

Description - The Deferred Compensation Program consists of two defined contribution plans that provide benefits based solely on the amount contributed to each participant's account(s), plus or minus any income, expenses and gains/losses. The Deferred Compensation Program is comprised of the Deferred Compensation Plan For Employees of the Metropolitan Transportation Authority ("MTA"), its Subsidiaries and Affiliates ("457 Plan") and the Thrift Plan For Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates ("401(k) Plan"). Certain MTA Related Groups employees are eligible to participate in both deferred compensation plans. Both Plans are designed to have participant charges, including investment and other fees, cover the costs of administering the Deferred Compensation Program.

Participation in the 401(k) Plan is now available to non-represented employees and, after collective bargaining, most represented employees. All amounts of compensation deferred under the 401(k) Plan, and all income attributable to such compensation, less expenses and fees, are held in trust for the exclusive benefit of the participants and their beneficiaries. Accordingly, the 401(k) Plan is not reflected in the accompanying consolidated statements of net position.

The Deferred Compensation Program is administered and may be amended by the Deferred Compensation Committee.

As the Deferred Compensation Program's asset base and contribution flow increased, participants' investment options were expanded by the Deferred Compensation Committee with the advice of its Financial Advisor to provide greater diversification and flexibility. In 1988, after receiving an IRS determination letter for the 401(k) Plan, the MTA offered its managers the choice of either participating in the 457 Plan or the 401(k) Plan. By 1993, the MTA offered eight investment funds: a Guaranteed Interest Account Fund, a Money Market Fund, a Common Stock Fund, a Managed Fund, a Stock Index Fund, a Government Income Fund, an International Fund and a Growth Fund.

In 1998, the Deferred Compensation Committee approved the unbundling of the Plans. In 2008, the Plans' investment choices were restructured to set up a four-tier strategy:

- Tier 1 – The MTA Asset Allocation Programs offer two options for those participants who would like to make retirement investing easy – the MTA Target Year Funds and Goal maker. Investments will be automatically diversified among a range of investment options.
- Tier 2 – The MTA Index Funds offer a tier of index funds, which invest in the securities of companies that are included in a selected index, such as the Standard & Poor's 500 (large cap) Index or Barclays Capital U.S. Aggregate (bond) index. The typical objective of an index fund is to achieve approximately the same return as that specific market index. Index funds provide investors with lower-cost investments because they are less expensive to administer than actively managed funds.
- Tier 3 – The MTA Actively Managed Portfolios, which are comprised of actively managed portfolios that are directed by one or a team of professional managers who buy and sell a variety of holdings in an effort to outperform selected indices. The funds provide a diversified array of distinct asset classes, with a single option in each class. They combine the value and growth disciplines to create a "core" portfolio for the mid-cap and international categories.
- Tier 4 – The Self-Directed Mutual Fund Option is designed for the more experienced investors. The fund offers access to an expanded universe of mutual funds from hundreds of well-known mutual fund families. Participants may invest only a portion of their account balances in this Tier.

In 2011, the Deferred Compensation Program began offering Roth contributions. Employees can elect after-tax Roth contributions and before-tax contributions in both the 401(k) Plan and the 457 Plan. The total combination of Roth after-tax contributions and regular before-tax contributions cannot exceed the IRS maximum of $19,000 dollars or $25,000 dollars for those over age 50 for the year ended December 31, 2019.

The two Plans offer the same array of investment options to participants. Eligible participants in the Deferred Compensation Program include employees (and in the case of MTA Long Island Bus, former employees) of:

- MTA
- MTA Long Island Rail Road
- MTA Bridges and Tunnels
- MTA Long Island Bus
- MTA Metro-North Railroad
- MTA New York City Transit
- MTA Staten Island Rapid Transit
- MTA Capital Construction
- MTA Bus

Matching Contributions - MTA Bus on behalf of certain MTA Bus employees, MTA Metro-North Railroad on behalf of certain MNR employees who opted-out of participation in the MTA Defined Benefit Pension Plan and MTA on behalf of certain represented MTA Business Service Center employees and on behalf of certain MTA Police Officers, make contributions to the 401(k) Plan. The rate for the employer contribution varies.

MTA Bus – Effective in 2019, there are no employees receiving these employer contributions. Prior to 2019, certain members who were employed by Queens Surface Corporation on February 26, 2005, and who became employees of MTA Bus on February 27, 2005, receive a matching contribution equal to 50% of member's before-tax contributions provided that the maximum matching contribution shall not exceed 3% of the member's base pay. MTA Bus also makes a basic contribution equal to 2% of the member's compensation. These contributions vest as follows:

Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

MTA Metro-North Railroad – MNR employees represented by certain unions and who elected to opt-out of participation in the MTA Defined Benefit Pension Plan receive an annual employer contribution equal to 4% of the member's compensation. Effective on the first full pay period following the nineteenth anniversary date of an eligible MNR member's continuous employment, MTA Metro-North Railroad contributes an amount equal to 7% of the member's compensation. Eligible MNR members vest in these employer contributions as set forth below:

Years of Service	Vested Percentage
Less than 5	0%
5 or more	100%

MTA Headquarters - Police - For each plan year, the MTA shall make contributions to the account of each eligible MTA Police Benevolent Association member in the amounts required by the collective bargaining agreement ("CBA") and subject to the contribution limits set forth in the CBA. These contributions shall be made monthly and shall be considered MTA Police contributions. Members are immediately 100% vested in these employer contributions.

MTA Headquarters – Commanding Officers - In addition, for each plan year, the MTA shall make contributions to the account of each eligible MTA Police Department Commanding Officers Benevolent Association member in the amounts required by the CBA and subject to the contribution limits set forth in the CBA. These contributions shall be made monthly and shall be considered MTA Police contributions. These members are immediately 100% vested in these employer contributions.

MTA Headquarters – Business Services - Effective January 1, 2011, all newly hired MTA Business Services Center employees represented by the Transportation Communications Union are eligible to receive a matching contribution up to a maximum of 3% of the participant's compensation. A participant's right to the balance in his or her matching contributions shall vest upon the first of the following to occur:

1. Completing 5 years of service,
2. Attaining the Normal Retirement Age of 62 while in continuous employment, or
3. Death while in continuous employment.

Additional Deposits (Incoming Rollover or Transfers) - Participants in the Deferred Compensation Program are eligible to roll over both their before-tax and after-tax assets from other eligible retirement plans into the 401(k) and 457 Plans. Under certain conditions, both Plans accepts rollovers from all eligible retirement plans (as defined by the Code), including 401(a), 457, 401(k), 403(b), and rollover IRAs.

Forfeitures – Non-vested contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses.

	December 31, 2019	December 31, 2018
	(In thousands)	
Employer 401K contributions	$ 4,402	$ 4,392

5. OTHER POSTEMPLOYMENT BENEFITS

The MTA participates in a defined benefit other postemployment benefits ("OPEB") plan for its employees, the Metropolitan Transportation Authority Retiree Welfare Benefits Plan ("OPEB Plan"). A description of the Plan follows:

(1) Plan Description

The MTA Retiree Welfare Benefits Plan ("OPEB Plan") and the related Trust Fund ("Trust") was established on January 1, 2009 for the exclusive benefit of MTA retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with the MTA's various collective bargaining agreements. Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Amounts contributed to the OPEB Plan are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants.

The OPEB Plan and the Trust are exempt from federal income taxation under Section 115(1) of the Internal Revenue Code. The OPEB Plan is classified as a single-employer plan.

The OPEB Plan Board of Managers, comprised of the MTA Chairman, MTA Chief Financial Officer and MTA Director of Labor Relations, are the administrators of the OPEB Plan. The MTA Board has the right to amend, suspend or terminate the OPEB Plan. The OPEB Plan is a fiduciary component unit of the MTA and is in the Pension and Other Employee Benefit Trust Funds section of the MTA's basic financial statements.

The separate annual financial statements of the OPEB Plan may be obtained by writing to MTA Comptroller, 2 Broadway, 16th Floor, New York, New York, 10004 or at www.mta.info.

Benefits Provided — The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by agency, employee type (represented employees versus non-represented) and the relevant collective bargaining agreements. Certain benefits are provided upon retirement as defined in the applicable pension plan. Certain agencies provide benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of the MTA are members of the following pension plans: the MTA Defined Benefit Plan, the Additional Plan, the MNR Cash Balance Plan, the MaBSTOA Plan, NYCERS, and NYSLERS. Certain represented employees of MTA Metro-North Railroad participate in the 401(k) Plan. Eligible employees of the MTA may elect to join the New York State Voluntary Defined Contribution Plan ("VDC").

The MTA participates in the New York State Health Insurance Program ("NYSHIP") and provides medical and prescription drug benefits, including Medicare Part B reimbursements, to many of its retirees. NYSHIP offers a Preferred Provider Organization ("PPO") plan and several Health Maintenance Organization ("HMO") plans. Represented MTA New York City Transit employees, other MTA New York City Transit former employees who retired prior to January 1, 1996 or January 1, 2001, MTA Staten Island Railway represented employees as of March 1, 2010, June 1, 2010 or January 1, 2013 depending on the union and MTA Bus retirees do not participate in NYSHIP. These benefits are provided either through a self-insured health plan, a fully insured health plan or an HMO.

The MTA is a participating employer in NYSHIP. The NYSHIP financial report can be obtained by writing to NYS Department of Civil Service, Employee Benefits Division, Alfred E. Smith Office Building, 805 Swan Street, Albany, NY 12239.

OPEB Plan Eligibility — To qualify for benefits under the OPEB Plan, a former employee of the MTA must:

i. have retired;

ii. be receiving a pension (except in the case of the 401(k) Plan);

iii. have at least 10 years of credited service as a member of NYCERS, NYSLERS, the MTA Defined Benefit Plan, the Additional Plan, the MaBSTOA Plan, the MNR Cash Balance Plan, the 401(k) Plan or the VDC; and

iv. have attained the minimum age requirement (unless within 5 years of commencing retirement for certain members). A represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.

Surviving Spouse and Other Dependents —

- Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of retired managers and certain non-represented retired employees.
- Represented retired employees must follow the guidelines of their collective bargaining agreements regarding continued health coverage for a surviving spouse or domestic partner and surviving dependents. The surviving spouse coverage continues until spouse is eligible for Medicare for represented employees of MTA New York City Transit and MTA Staten Island Railway, retiring on or after:
  - May 21, 2014 for Transport Workers Union ("TWU") Local 100;
  - September 24, 2014 for Amalgamated Transit Union ("ATU") Local 726;
  - October 29, 2014 for ATU Local 1056;
  - March 25, 2015 for Transportation Communication Union ("TCU"); and
  - December 16, 2015 for United Transportation Union ("UTU") and American Train Dispatchers Association ("ATDA").
- Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependents of retired uniform members of the MTA Police Department.
- Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of uniformed members of the MTA Police Department whose death was sustained while in performance of duty.

The OPEB Plan Board of Managers has the authority to establish and amend the benefits that will be covered under the OPEB Plan, except to the extent that they have been established by collective bargaining agreement.

Employees Covered by Benefit Terms — As of July 1, 2017, the date of the most recent actuarial valuation, the following classes of employees were covered by the benefit terms:

	Number of Participants
Active plan members	72,047
Inactive plan members currently receiving benefit payments	45,330
Inactive plan members entitled to but not yet receiving benefit payments	254
Total	117,631

Contributions — The MTA is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the "pay-as-you-go" ("PAYGO") amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2019 and 2018, the MTA paid $737.3 and $696.1 of PAYGO to the OPEB Plan, respectively. The PAYGO amounts include an implicit rate subsidy adjustment of $76.8 and $74.5 for the years ended December 31, 2019 and 2018, respectively.

During 2012, the MTA funded $250 into the Trust an additional $50 during 2013. There have been no further contributions made to the Trust. The discount rate estimates investment earnings for assets earmarked to cover retiree health benefits. Under GASB Statement No. 75, the discount rate depends on the nature of underlying assets for funded plans. Since the amount of benefits paid in 2018 exceeded the current market value of the assets, a depletion date is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer General Obligation 20-Bond Municipal Bond Index. As a result, the discount rates as of December 31, 2018 and December 31, 2017, the measurement dates, are 4.10% and 3.44%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue on the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore, are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2018 and 2017, the employer made a cash payment for retiree healthcare of $74,484 and $71,101, respectively, as part of the employer's payment for active-employee healthcare benefits. For purposes of GASB Statement No. 75, this payment made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees' underlying age-adjusted, retiree benefit costs.

Blended and Age-adjusted Premium	**2018 Retirees**	**2017 Retirees**
(in thousands)		
Total blended premiums	$616,638	$579,893
Employment payment for retiree healthcare	74,484	71,101
Net Payments	$691,122	$650,994

(2) Actuarial Assumptions

Actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as future employment, mortality and health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan, which refers to the plan terms as understood by the employer and the plan members at the time of the valuation, including only changes to plan terms that have been made and communicated to employees. The projections include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members at that time. The MTA may not be obligated to provide the same types or levels of benefits to retirees in the future.

The total OPEB liability was determined by an actuarial valuation performed on July 1, 2017. Update procedures were used to roll forward the total OPEB liability to December 31, 2018 and December 31, 2017, the measurement dates. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

Valuation date	July 1, 2017	July 1, 2017
Measurement date	December 31, 2018	December 31, 2017
Discount rate	4.1%, net of expenses	3.44%, net of expenses
Inflation	2.50%	2.50%
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.50%	4.50%
Salary increases	Varies by years of service and differs for members of the various pension plans	Varies by years of service and differs for members of the various pension plans
Investment rate of return	6.50%	6.50%

Healthcare Cost Trend — The healthcare trend assumption is based on the Society of Actuaries-Getzen Model version 2017 utilizing the baseline assumptions included in the model, except inflation of 2.5% for medical and pharmacy benefits. Additional adjustments apply based on percentage of costs associated with administrative expenses, aging factors, potential excise taxes due to healthcare reform, and other healthcare reform provisions, separately for NYSHIP and self-insured benefits administered by MTA New York City Transit. These assumptions are combined with long-term assumptions for dental and vision benefits of an annual trend of 4.0% plus Medicare Part B reimbursements of an annual trend of 4.5%, but not more than projected medical and pharmacy trends excluding any excise tax adjustments. The self-insured trend is applied directly for represented employees of MTA New York City Transit, MTA Staten Island Railway and MTA Bus. For purposes of estimating the impact of the excise tax, the NYSHIP trend for MTA Bridges and Tunnels reflects that certain represented members do not receive prescription drug coverage through NYSHIP.

The valuation reflects the actuary's understanding of the impact in future health costs due to the Affordable Care Act ("ACA") passed into law in March 2010. An excise tax for high cost health coverage or "Cadillac" health plans was included in ACA. The provision levies a 40% tax on the value of health plan costs that exceed certain thresholds for single coverage or family coverage. In December 2019, the President signed into law the "Further Consolidated Appropriations Act, 2020" (the "Act"), which included the permanent repeal of the "Cadillac" tax, effective January 1, 2020. The impact of the elimination of the "Cadillac" tax on the MTA's OPEB liability is approximately a decrease of $742.0 million and will be reflected in the next valuation dated July 1, 2019 and in the reporting year-ended December 31, 2020.

Healthcare Cost Trend Rates — The following lists illustrative rates for the NYSHIP and self-insured trend assumptions (all amounts are in percentages).

	NYSHIP		TBTA		Self-Insured	
Fiscal Year	**< 65**	**> = 65**	**< 65**	**> = 65**	**< 65**	**> = 65**
2018	8.5	8.2	7.5	4.9	6.8	9.1
2019	6.2	5.5	5.8	3.1	6.2	5.3
2020	5.8	5.3	5.6	3.9	5.8	5.2
2021	5.5	5.2	5.3	4.4	5.5	5.2
2022	7.2	5.1	5.1	5.1	11.1	5.1
2023	6.1	5.1	5.1	5.1	6.0	5.1
2024	6.1	5.0	5.0	5.0	5.9	5.0
2025	5.9	5.0	5.0	5.0	5.8	5.0
2026	5.9	5.0	5.0	5.0	5.8	5.0
2027	5.8	4.9	5.0	4.9	5.7	4.9
2037	5.6	5.0	5.9	5.0	5.5	5.0
2047	5.4	5.9	5.6	4.9	5.3	4.9
2057	5.1	5.4	5.2	4.8	5.1	5.2
2067	4.8	5.0	4.9	4.6	4.8	4.8
2077	4.2	4.3	4.2	4.0	4.1	4.5
2087	4.1	4.2	4.2	4.0	4.1	4.4
2097	4.1	4.2	4.2	4.7	4.1	4.4

For purposes of applying the Entry Age Normal Cost method, the healthcare trend prior to the valuation date are based on the ultimate rates, which are 4.1% for medical and pharmacy costs prior to age 65, 4.2% for NYSHIP costs at age 65 and later (4.6% for certain MTA Bridges and Tunnels represented members), and 4.3% for self-insured medical and pharmacy costs at age 65 and later.

Mortality — Preretirement and postretirement healthy annuitant rates are projected on a generational basis using Scale AA. As a generational table, it reflects mortality improvements both before and after the measurement date. The postretirement mortality assumption is based on an experience analysis covering the period from January 1, 2011 to December 31, 2015 for the MTA-sponsored pension plans.

Preretirement — RP-2000 Employee Mortality Table for Males and Females with blue-collar adjustments. No blue-collar adjustments were used for management members of MTAHQ.

Postretirement Healthy Lives — 95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females. No blue collar or percentage adjustments were used for management members of MTAHQ.

Postretirement Disabled Lives — RP-2014 Disabled Annuitant mortality table for males and females.

(3) Net OPEB Liability

At December 31, 2019 and 2018, the MTA reported a net OPEB liability of $19,582 and $20,335, respectively. The MTA's net OPEB liability was measured as of the OPEB Plan's fiscal year-end of December 31, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2017, and rolled forward to December 31, 2018.

OPEB Plan Fiduciary Net Position — The fiduciary net position has been determined on the same basis used by the OPEB plan. The OPEB plan uses the accrual basis of accounting under which contributions from the employer are recognized when paid. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value based on quoted market prices or Net Asset Value. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report or at www.mta.info.

Expected Rate of Return on Investments — The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	**Target Allocation**	**Long-Term Expected Arithmetic Real Rate of Return**
U.S core fixed income	13.0%	2.03%
Global bonds	15.0%	0.41%
Emerging markets bonds	5.0%	3.76%
Global equity	35.0%	5.65%
Non-U.S. equity	15.0%	6.44%
Global REITs	5.0%	5.80%
Hedge funds - multistrategy	12.0%	3.28%
Total	**100%**	
Assumed Inflation - Mean		2.50%
Assumed Inflation - Standard Deviation		1.65%
Portfolio Nominal Mean return		6.65%
Portfolio Standard Deviation		10.39%
Long Term Expected Rate of Return selected by MTA		**6.50%**

Discount Rate — The discount rate used in this valuation to measure the total OPEB liability was updated to incorporate GASB Statement No. 75 guidance.

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Therefore, the discount rate is set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of December 31, 2018 of 4.10%.

Changes in Net OPEB Liability — Changes in the MTA's net OPEB liability for the year ended December 31, 2019, based on the December 31, 2018 measurement date, and for the year ended December 31, 2018, based on the December 31, 2017 measurement date, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
		(in thousands)	
Balance as of December 31, 2017	$ 20,705,068	$ 370,352	$ 20,334,716
Changes for the year:			
Service Cost	1,002,930	-	1,002,930
Interest on total OPEB liability	734,968	-	734,968
Effect of plan changes	1,580	-	1,580
Effect of economic/demographic gains or losses	(19,401)	-	(19,401)
Effect of assumptions changes or inputs	(1,800,135)	-	(1,800,135)
Benefit payments	(691,122)	(691,122)	-
Employer contributions	-	691,122	(691,122)
Net investment income	-	(18,916)	18,916
Administrative expenses	-	(56)	56
Net changes	(771,180)	(18,972)	(752,208)
Balance as of December 31, 2018	$ 19,933,888	$ 351,380	$ 19,582,508

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
		(in thousands)	
Balance as of December 31, 2016	$ 18,787,254	$ 322,982	$ 18,464,272
Changes for the year:			
Service Cost	884,548	-	884,548
Interest on total OPEB liability	731,405	-	731,405
Effect of plan changes	27,785	-	27,785
Effect of economic/demographic gains or losses	13,605	-	13,605
Effect of assumptions changes or inputs	911,465	-	911,465
Benefit payments	(650,994)	(650,994)	-
Employer contributions	-	650,994	(650,994)
Net investment income	-	47,370	(47,370)
Net changes	1,917,814	47,370	1,870,444
Balance as of December 31, 2017	$ 20,705,068	$ 370,352	$ 20,334,716

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate — The following presents the net OPEB liability of the MTA, calculated using the discount rate as of each measurement date, as well as what the MTA's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for the measurement date:

Measurement Date:		**December 31, 2018**	
	1% Decrease (3.10%)	**Discount Rate (4.10%)**	**1% Increase (5.10%)**
		(in thousands)	
Net OPEB liability	$22,402,766	$19,582,508	$17,257,324

Measurement Date:		**December 31, 2017**	
	1% Decrease (2.44%)	**Discount Rate (3.44%)**	**1% Increase (4.44%)**
		(in thousands)	
Net OPEB liability	$23,407,072	$20,334,716	$17,817,307

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates — The following presents the net OPEB liability of the MTA, calculated using the healthcare cost trend rates as of each measurement date, as well as what the MTA's net OPEB liability would be if it were calculated using trend rates that are 1-percentage point lower or 1-percentage point higher than the actual healthcare trend rate used for the measurement date:

Measurement Date:		**December 31, 2018**	
	1% Decrease	**Healthcare Cost Current Trend Rate***	**1% Increase**
		(in thousands)	
Net OPEB liability	$16,727,628	$19,582,508	$23,171,172

Measurement Date:		**December 31, 2017**	
	1% Decrease	**Healthcare Cost Current Trend Rate***	**1% Increase**
		(in thousands)	
Net OPEB liability	$17,394,102	$20,334,716	$24,043,932

*For further details, refer to the Health Care Cost Trend Rates tables in the Actuarial Assumptions section of this Note Disclosure

(4) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the nine-month period ended September 30, 2020 and year ended December 31, 2019, the MTA recognized OPEB expense of $501 and $1.61 billion, respectively.

At September 30, 2020 and December 31, 2019, the MTA reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows ($ in thousands):

	September 30, 2020		December 31, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,928	$ 16,780	$ 9,928	$ 16,780
Changes of assumptions	665,123	1,556,874	665,123	1,556,874
Net difference between projected and actual earnings on OPEB plan investments	18,564	-	18,564	-
Changes in proportion and differences between contributions and proportionate share of contributions	101,229	101,229	101,229	101,229
Employer contributions to the plan subsequent to the measurement of net OPEB liability	719,599	-	742,438	-
Total	$ 1,514,443	$ 1,674,883	$ 1,537,282	$ 1,674,883

The annual differences between the projected and actual earnings on investments are amortized over a 5-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience and changes in assumptions are amortized over a 7.4-year closed period, beginning the year in which the deferred amount occurs.

For the nine-month period ended September 30, 2020 and year ended December 31, 2019, $719.6 and $742.4 were reported as deferred outflows of resources related to OPEB. This amount includes both MTA's contributions subsequent to the measurement date and an implicit rate subsidy adjustment that will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2019 will be recognized in OPEB expense as follows (in thousands):

Year ended December 31, :	
2020	$ (117,552)
2021	(117,552)
2022	(117,552)
2023	(112,276)
2024	(120,874)
Thereafter	(294,233)
	$ (880,039)

6. CAPITAL ASSETS

Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA having a minimum useful life of two years and having a cost of more than $25 thousand.

Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. Capital leases are classified as capital assets in amounts equal to the lesser of the fair market value or the present value of net minimum lease payments at the inception of the lease.

Accumulated depreciation and amortization are reported as reductions of fixed assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. Capital lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Capital assets consist of the following at December 31, 2018, December 31, 2019 and September 30, 2020 (in millions):

	Balance December 31, 2018	Additions / Reclassifications	Deletions / Reclassifications	Balance December 31, 2019	Additions / Reclassifications	Deletions / Reclassifications	Balance September 30, 2020
Capital assets not being depreciated:							
Land	$ 217	$ 6	$ -	$ 223	$ 24	$ -	$ 247
Construction work-in-progress	18,052	8,372	6,266	20,158	4,564	1,520	23,202
Total capital assets not being depreciated	18,269	8,378	6,266	20,381	4,588	1,520	23,449
Capital assets being depreciated:							
Buildings and structures	18,457	1,103	1	19,559	71	28	19,602
Bridges and tunnels	4,154	72	-	4,226	57	-	4,283
Equipment:							
Passenger cars and locomotives	13,378	498	4	13,872	152	-	14,024
Buses	3,808	473	604	3,677	41	12	3,706
Infrastructure	26,258	1,491	21	27,728	382	-	28,110
Other	24,519	2,114	20	26,613	344	5	26,952
Total capital assets being depreciated	90,574	5,751	650	95,675	1,047	45	96,677
Less accumulated depreciation:							
Buildings and structures	7,414	530	-	7,944	411	3	8,352
Bridges and tunnels	806	27	-	833	28	-	861
Equipment:							
Passenger cars and locomotives	6,943	403	4	7,342	303	-	7,645
Buses	2,323	250	604	1,969	196	12	2,153
Infrastructure	10,072	862	21	10,913	640	-	11,553
Other	8,774	798	19	9,553	648	4	10,197
Total accumulated depreciation	36,332	2,870	648	38,554	2,226	19	40,761
Total capital assets being depreciated - net	54,242	2,881	2	57,121	(1,179)	26	55,916
Capital assets - net	$ 72,511	$ 11,259	$ 6,268	$ 77,502	$ 3,409	$ 1,546	$ 79,365

Effective January 1, 2020, in accordance with GASB Statement No. 89, the MTA no longer capitalizes interest costs related to the construction of capital assets. Interest capitalized in conjunction with the construction of capital assets for December 31, 2019 was $43.7.

Capital assets acquired prior to April 1982 for MTA New York City Transit were funded primarily by NYC with capital grants made available to MTA New York City Transit. NYC has title to a substantial portion of such assets and, accordingly, these assets are not recorded on the books of the MTA. Subsequent acquisitions, which are part of the MTA Capital Program, are recorded at cost by MTA New York City Transit. In certain instances, title to MTA Bridges and Tunnels' real property may revert to NYC in the event the MTA determines such property is unnecessary for its corporate purpose. With respect to MTA Metro-North Railroad, capital assets completely funded by CDOT are not reflected in MTA's financial statements, as ownership is retained by CDOT.

For certain construction projects, the MTA holds in a trust account marketable securities pledged by third-party contractors in lieu of cash retainages. At September 30, 2020 and December 31, 2019, these securities, which are not included in these financial statements, totaled $113.0 and $107.8, respectively, and had a market value of $78.7 and $83.3, respectively.

7. LONG-TERM DEBT

(In millions)	**Original Issuance**	**December 31, 2019**	**Issued**	**Retired**	**September 30, 2020**
MTA:					
Transportation Revenue Bonds					
1.62%–5.15% due through 2057	$ 42,170	$ 21,650	$ 4,205	$ 524	$ 25,331
Bond Anticipation Notes*					
2.29% due through 2023	16,007	7,508	2,945	3,818	6,635
Dedicated Tax Fund Bonds					
1.86%–4.89% due through 2057	11,039	5,024	-	-	5,024
	69,216	34,182	7,150	4,342	36,990
Net unamortized bond premium	-	1,648	225	367	1,506
	69,216	**35,830**	**7,375**	**4,709**	**38,496**
TBTA:					
General Revenue Bonds					
1.88%–4.28% due through 2050	17,657	7,782	525	48	8,259
Subordinate Revenue Bonds					
3.13%-5.34% due through 2032	4,066	936	-	-	936
	21,723	8,718	525	48	9,195
Net unamortized bond premium	-	618	102	53	667
	21,723	**9,336**	**627**	**101**	**9,862**
MTA Hudson Rail Yards Trust:					
MTA Hudson Rail Yards Trust Obligations					
1.88%–2.65% due through 2056	1,057	872	-	190	682
Net unamortized bond premium	-	107	(15)	3	89
	1,057	**979**	**(15)**	**193**	**771**
Total	**$ 91,996**	**$ 46,145**	**$ 7,987**	**$ 5,003**	**$ 49,129**
Current portion**		$ 2,210			$ 2,336
Long-term portion		$ 43,935			$ 46,793

* Includes draws on a $800 taxable revolving credit agreement with JPMorgan Chase Bank, National Association, which is active through August 24, 2022, and a $400 taxable revolving credit agreement with Bank of America, National Association, which is active through August 24, 2022. Draws under the JPMorgan Chase Agreement and the Bank of America agreement are evidenced by revenue anticipation notes ("RANs"). As of September 30, 2020 and December 31, 2019, the outstanding RAN was $484 and $8, respectively.

** As a result of certain MTA issuances of Bonds and Bond Anticipation Notes, the current portion of the BANs that were reclassified as long-term were $0 and $2,200 as of September 30, 2020 and December 31, 2019, respectively.

(In millions)	Original Issuance	December 31, 2018	Issued	Retired	December 31, 2019
MTA:					
Transportation Revenue Bonds					
1.43%–5.15% due through 2057	$ 37,965	$ 20,923	$ 1,596	$ 869	$ 21,650
Bond Anticipation Notes*					
1.33% due through 2022	13,062	4,007	5,455	1,954	7,508
Dedicated Tax Fund Bonds					
1.86%–4.89% due through 2057	11,039	5,184	-	160	5,024
	62,066	30,114	7,051	2,983	34,182
Net unamortized bond premium	-	1,559	514	425	1,648
	62,066	**31,673**	**7,565**	**3,408**	**35,830**
TBTA:					
General Revenue Bonds					
1.81%–4.18% due through 2047	17,132	7,663	452	333	7,782
Subordinate Revenue Bonds					
3.13%-5.34% due through 2032	4,066	1,022	-	86	936
	21,198	8,685	452	419	8,718
Net unamortized bond premium	-	626	47	55	618
	21,198	**9,311**	**499**	**474**	**9,336**
MTA Hudson Rail Yards Trust:					
MTA Hudson Rail Yards Trust Obligations					
1.88%–2.65% due through 2056	1,057	1,057	-	185	872
Net unamortized bond premium	-	128	-	21	107
	1,057	**1,185**	**-**	**206**	**979**
Total	**$ 84,321**	**$ 42,169**	**$ 8,064**	**$ 4,088**	**$ 46,145**
Current portion**		$ 2,552			$ 2,210
Long-term portion		$ 39,617			$ 43,935

* Includes draws on a $800 taxable revolving credit agreement with JPMorgan Chase Bank, National Association, which is active through August 24, 2022. Draws under the JPMorgan Chase Agreement are evidenced by revenue anticipation notes (“RANs”). As of December 31, 2019 and 2018, the outstanding RAN was $8 and $7, respectively.

** On January 16, 2020 and May 14, 2020, MTA issued $925 MTA Transportation Revenue Green Bonds, Series 2020A (“the Series 2020A Bonds”), with maturities from May 15, 2024 to November 15, 2054, and $1,725 MTA Transportation Revenue Green Bonds, Series 2020C (“the Series 2020C Bonds”), with maturities from November 15, 2045 to November 15, 2049, respectively. Both the Series 2020A Bonds and the Series 2020C Bonds were issued for purposes of (i) retiring, together with other MTA funds, certain outstanding Transportation Revenue Bond Anticipation Notes (“BANs”), (ii) refunding certain the MTA Transportation Revenue Bonds(“TRBs”), (iii) financing existing approved transit and commuter projects, (iv) paying capitalized interest, and (v) paying certain financing, legal and miscellaneous expenses. As a result of these issuances, the current portion of the BANs, $2,200, was reclassified as long-term as of December 31, 2019.

In addition, on February 15, 2020, MTA effectuated a $27 early mandatory redemption of a portion of the Hudson Rail Yards Trust Obligations, Series 2016A. As a result, $27 was reclassified from long-term to current as of December 31, 2019.

MTA Transportation Revenue Bonds — Prior to 2020, MTA issued sixty-five Series of Transportation Revenue Bonds secured under its General Resolution Authorizing Transportation Revenue Obligations adopted on March 26, 2002 in the aggregate principal amount of $32,944. The Transportation Revenue Bonds are MTA’s special obligations payable solely from transit and commuter systems revenues and certain state and local operating subsidies.

On January 16, 2020, MTA issued $924.750 of Transportation Revenue Bonds, Series 2020A to retire the existing outstanding Transportation Revenue Bond Anticipation Notes(“BANs”), Series 2019A; and to refund the Transportation Revenue Bonds, Subseries 2016C-2b. The Series 2020A bonds were priced as $686.840 Subseries 2020A-1 and $237.910 Subseries 2020A-2. The Subseries 2020A-1 bonds were issued as fixed rate tax-exempt bonds with a final maturity of November 15, 2054. The Subseries 2020A-2 bonds were issued as mandatory tender bonds with an initial purchase date of May 15, 2024.

On February 3, 2020, MTA effectuated a mandatory tender and remarketed $75 MTA Transportation Revenue Variable Rate Refunding Bonds, Subseries 2012G-3 because its current interest rate period expired by its terms. The Series 2012G-3 Bonds were remarketed in Term Rate Mode as Floating Rate Tender Notes with a purchase date of February 1, 2025 and with an interest rate of SIFMA plus 0.43%.

On March 19, 2020, Moody’s placed MTA’s Transportation Revenue Bonds (A1) and BANs (MIG 1) as Ratings Under Review for possible downgrade.

On March 20, 2020, Fitch Ratings placed MTA’s Transportation Revenue Bonds (AA-) and BANs (F1+) as Ratings Watch Negative.

On March 24, 2020, S&P Global Ratings downgraded MTA's Transportation Revenue Bonds from 'A' to 'A-' with a negative outlook, under its Mass Transit Enterprise Ratings criteria.

On March 24, 2020, Kroll Bond Rating Agency placed MTA's Transportation Revenue Bonds (AA+) under outlook Watch Downgrade.

On March 27, 2020, $75 of Transportation Revenue Refunding Bonds, Subseries 2020B-1 Bonds were purchased, pursuant to a Continuing Covenant Agreement, between MTA and PNC Bank, National Association, as purchaser, and $87.660 of Transportation Revenue Refunding Bonds, Subseries 2020B-2 Bonds were purchased, pursuant to a Continuing Covenant Agreement, between MTA and Bank of America, N.A., as purchaser. Proceeds from the transaction will be used to exchange and finance certain Hudson Rail Yards Refunding Trust Obligations, Series 2020A. The Subseries 2020B-1 bonds have a mandatory purchase date of April 1, 2021. The Subseries 2020B-2 bonds have a mandatory tender date of March 24, 2022.

On April 2, 2020, Fitch Ratings downgraded MTA's Transportation Revenue Bonds from AA- to A+, and Transportation Revenue BANs from F1+ to F1, and put the Transportation Revenue Bonds on a Negative Outlook.

On April 6, 2020, $50 of MTA Transportation Revenue Variable Rate Bonds, Subseries 2002D-2a-1 were purchased, pursuant to a Continuing Covenant Agreement, between MTA and JP Morgan Chase Bank, N.A., as purchaser, as the current interest rate period related to the Subseries 2002D-2a-1 was expiring by its terms. The Subseries 2002D-2a-1 bonds have a mandatory purchase date of March 31, 2021.

On April 16, 2020 Moody's Investors Services downgraded MTA's Transportation Revenue Bonds from A1 to A2, and Transportation Revenue BANs from MIG 1 to MIG 2, and put the Transportation Revenue Bonds on a Negative Outlook.

On May 4, 2020 S&P Global Ratings placed MTA's Transportation Revenue Bonds on CreditWatch negative.

On May 5, 2020, MTA priced and remarketed $248.045 of Transportation Revenue Bonds, Subseries 2015A-2 as its current interest rate period was set to expire by its terms. The Subseries 2015A-2 bonds were remarketed in Term Rate Mode as mandatory tender bonds with a purchase date of May 15, 2030.

On May 14, 2020, MTA issued $1,725 of Transportation Revenue Green Bonds, Series 2020C. Proceeds from the transaction were used to finance existing approved transit and commuter projects, and to retire the following outstanding Bond Anticipation Notes:

Subseries Number	Maturity Date	Par Amount
MTA TRB BANs 2018B-1	May 15, 2020	800
MTA TRB BANs 2019B-2	May 15, 2020	200

The Series 2020C bonds were issued as $1,125 Subseries 2020C-1 and $600 Subseries 2020C-2. The Subseries 2020C-1 bonds were priced as fixed rate tax-exempt Climate Bond Certified bonds with a final maturity of November 15, 2055. The Subseries 2020C-2 bonds were issued as fixed rate taxable Climate Bond Certified bonds with a final maturity of November 15, 2049.

On July 7, 2020, S&P Global Ratings downgraded MTA's Transportation Revenue Bonds from 'A-' to 'BBB+' with a negative outlook, under its Mass Transit Enterprise Ratings criteria.

On September 11, 2020, Moody's Investors Service ("Moody") downgraded the rating on Metropolitan Transportation Authority's, NY (MTA) Transportation Revenue Bonds to A3 from A2 and affirmed the MIG 2 rating on MTA's Transportation Revenue Bond Anticipation Notes. Moody's assigned an A3 rating to MTA's $900 Transportation Revenue Green Bonds, Series 2020D (Climate Bond Certified). The outlook is negative.

On September 18, 2020, MTA issued $900 Transportation Revenue Green Bonds, Series 2020D (Climate Bond Certified) (the "Series 2020D Bonds"), maturing each November 15 from 2043 through 2050. The Series 2020D Bonds were issued to (i) finance existing approved transit and commuter projects, (ii) pay capitalized interest on the Series 2020D Bonds, and (iii) pay certain financing, legal, and miscellaneous expenses.

MTA Bond Anticipation Notes — From time to time, MTA issues Transportation Revenue Bond Anticipation Notes in accordance with the terms and provisions of the General Resolution described above in the form of commercial paper to fund its transit and commuter capital needs. The interest rate payable on the notes depends on the maturity and market conditions at the time of issuance. The MTA Act requires MTAHQ to periodically (at least each five years) refund its bond anticipation notes with bonds.

On January 8, 2020, MTA issued $1,500 of MTA Transportation Revenue Bond Anticipation Notes, Series 2020A to generate new money proceeds to: finance existing approved transit and commuter projects; and to finance those existing approved transit and commuter projects related to the State funding commitment for the 2015-2019 Capital Program. The Series 2020A Notes were priced as $800 Subseries 2020A-1 and $700 Subseries 2020A-2S. The Subseries 2020A-1 notes were issued as fixed rate tax-exempt notes with a final maturity of February 1, 2023 and the Subseries 2020A-2S notes were issued as fixed rate tax-exempt notes with a final maturity of February 1, 2022.

On August 26, 2020, $450.720 of MTA Transportation Revenue Bond Anticipation Notes, Series 2020B were issued and purchased, pursuant to a Note Purchase Agreement, between MTA and Municipal Liquidity Facility LLC. Proceeds from the transaction were used to retire the existing outstanding MTA Transportation Revenue Bond Anticipation Notes, Subseries 2018C-1. The Series 2020B notes are fixed rate tax-exempt notes with a final maturity of August 1, 2023.

MTA Revenue Anticipation Notes — On January 9, 2014, MTA closed a $350 revolving working capital liquidity facility with the Royal Bank of Canada which is expected to remain in place until July 7, 2017.Draws on the facility will be taxable, as such this facility is intended to be used only for operating needs of MTA and the related entities. On January 31, 2017, MTA drew down $200 of its $350 Revolving Credit Agreement with the Royal Bank of Canada, which was entered into on January 1, 2014.The purpose of the draw was to retire Transportation Revenue Bond Anticipation Notes, Subseries 2016A-2. The $200 draw-down plus accrued interest was repaid on March 31, 2017.

On August 24, 2017, MTA entered into a $350 taxable Revenue Anticipation Note facility, (the “2017A RAN”), with JPMorgan Chase Bank, National Association. An initial draw of $3.5 was made at closing. This balance will remain throughout the duration of the agreement. The 2017A RAN is available to be used by MTA for any corporate purpose as needed and is structured as a revolving loan facility. The RAN expires on August 24, 2022.

On August 14, 2018, MTA amended the 2017A RAN to (1) correct the designation of the facility to Transportation Revenue Anticipation Notes, Series 2017 (the “Series 2017 RANs”) and (2) increase the maximum amount of the Series 2017 RANs authorized to be issued by $350, for a maximum principal amount of $700 at any one-time outstanding. To maintain the 1% draw on the line of credit throughout the duration of the agreement, an additional $3.5 draw was made on August 14, 2018.

On August 16, 2019, the Revenue Anticipation Note facility with JPMorgan Chase was amended, increasing the line of credit to $800. To maintain the 1% draw on the line of credit throughout the duration of the agreement, an additional $1 draw was made on August 16, 2019.

On August 16, 2019, MTA entered into a $200 taxable revolving credit agreement with Bank of America, National Association (“BANA”) that is active through August 24, 2022. Draws under the BANA Agreement will be evidenced by RANs. Funds may be used for operational or capital purposes.

On March 20, 2020, MTA drew down the remaining $792 of its $800 Revolving Credit Agreement with JPMorgan Chase Bank National Association and $200 of its Revolving Credit Agreement with Bank of America National Association.

On April 22,2020, MTA drew down $2.5 of its taxable Revolving Credit Agreement with Bank of America National Association.

On May 22, 2020, MTA entered into a $950 taxable term credit agreement with JPMorgan Chase Bank National Association, as administrative agent, and Industrial and Commercial Bank of China Limited, New York Branch, and Bank of China, New York Branch, collectively as lenders. Funds drawn from this credit agreement may be used for operational or capital purposes. The credit agreement is active through May 22, 2022.

On July 23, 2020, the Urban Development Corporation (dba “Empire State Development” or “ESD”), on behalf of the State of New York, issued its State Personal Income Tax Revenue Bonds, Series 2020C (“ESD Series 2020C Bonds”). A portion of the proceeds of the ESD Series 2020C Bonds, $1.1 billion, were applied to the retirement of certain short-term notes issued by MTA on behalf of the existing $7.3 billion commitment of NYS toward the MTA’s 2015-2019 Capital Program. The proceeds were applied as follows: (i) $413.517, plus interest, to retire Transportation Revenue Anticipation Notes, Series 2020A (“Series 2020A RANs”), (ii) $104.672, plus interest, to retire Transportation Revenue Anticipation Notes, Series 2020B (“Series 2020B RANs”), and (iii) $600, plus interest, to retire Transportation Revenue Bond Anticipation Notes, Series 2019E.

MTA State Service Contract Bonds — Prior to 2020, MTA issued two Series of State Service Contract Bonds secured under its State Service Contract Obligation Resolution adopted on March 26, 2002, in the aggregate principal amount of $2,395. Currently, there are no outstanding bonds. The State Service Contract Bonds are MTA’s special obligations payable solely from certain payments from the State of New York under a service contract.

MTA Dedicated Tax Fund Bonds — Prior to 2020, MTA issued twenty-two Series of Dedicated Tax Fund Bonds secured under its Dedicated Tax Fund Obligation Resolution adopted on March 26, 2002, in the aggregate principal amount of $9,769. The Dedicated Tax Fund Bonds are MTA’s special obligations payable solely from monies held in the Pledged Amounts Account of the MTA Dedicated Tax Fund. State law requires that the MTTF revenues and MMTOA revenues (described above in Note 2 under “Nonoperating Revenues”) be deposited, subject to appropriation by the State Legislature, into the MTA Dedicated Tax Fund.

On April 9, 2020, Fitch Ratings downgraded enhanced MTA Dedicated Tax Fund Bonds, Subseries 2002B-1 from AAA to AA as result of its downgrade of the Letter of Credit provider MUFG Bank, Ltd.

On April 10, 2020, Fitch Ratings placed MTA's Dedicated Tax Fund bonds on negative outlook because of the same outlook being placed on the State of New York's Issuer Default Rating.

MTA Certificates of Participation — Prior to 2020, MTA (solely on behalf of MTA Long Island Rail Road and MTA Metro-North Railroad), MTA New York City Transit and MTA Bridges and Tunnels executed and delivered three Series of Certificates of Participation in the aggregate principal amount of $807 to finance certain building and leasehold improvements to an office building at Two Broadway in Manhattan occupied principally by MTA New York City Transit, MTA Bridges and Tunnels, MTA Construction and Development, and MTAHQ. The Certificates of Participation represented proportionate interests in the principal and interest components of Base Rent paid severally, but not jointly, in their respective proportionate shares by MTA New York City Transit, MTA, and MTA Bridges and Tunnels, pursuant to a Leasehold Improvement Sublease Agreement.

MTA Bridges and Tunnels General Revenue Bonds — Prior to 2020, MTA Bridges and Tunnels issued thirty- three Series of General Revenue Bonds secured under its General Resolution Authorizing General Revenue Obligations adopted on March 26, 2002, in the aggregate principal amount of $13,249. The General Revenue Bonds are MTA Bridges and Tunnels' general obligations payable generally from the net revenues collected on the bridges and tunnels operated by MTA Bridges and Tunnels.

On January 24, 2020, MTA effectuated a mandatory tender and remarketed $102.1 of Triborough Bridge and Tunnel Authority General Revenue Variable Rate Bonds, Series 2005A because the irrevocable direct-pay letter of credit ("LOC") issued by TD Bank, N.A. was expiring by its terms. The LOC related to the Series 2005A bonds was substituted with an irrevocable direct-pay LOC issued by Barclays Bank PLC. The new LOC will expire on February 2, 2024. The Series 2005A bonds will continue as Variable Interest Rate Obligations in Weekly Mode.

On March 26, 2020, S&P Global Ratings placed TBTA General Revenue and Subordinate Revenue Bonds on a negative outlook as part of action on the U.S. Transportation Infrastructure sector.

On March 31, 2020, Kroll Bond Rating Agency placed TBTA General Revenue Bonds (AA) and TBTA Subordinate Revenue Bonds (AA-) under outlook Watch Downgrade.

On April 8, 2020, Moody's Investors Services placed TBTA General Revenue and Subordinate Revenue Bonds on a negative outlook.

On May 27, 2020, MTA issued $525 of Triborough Bridge and Tunnel Authority General Revenue Bonds, Series 2020A to finance bridge and tunnel capital projects. The Series 2020A bonds were issued as tax-exempt fixed rate bonds with a final maturity of November 15, 2054.

MTA Bridges and Tunnels Subordinate Revenue Bonds — Prior to 2020, MTA Bridges and Tunnels issued twelve Series of Subordinate Revenue Bonds secured under its 2001 Subordinate Revenue Resolution Authorizing Subordinate Revenue Obligations adopted on March 26, 2002, in the aggregate principal amount of $3,871.The Subordinate Revenue Bonds are MTA Bridges and Tunnels' special obligations payable generally from the net revenues collected on the bridges and tunnels operated by MTA Bridges and Tunnels after the payment of debt service on the MTA Bridges and Tunnels General Revenue Bonds described in the preceding paragraph.

MTA Hudson Rail Yards Trust Obligations — The MTA Hudson Rail Yards Trust Obligations, Series 2016A ("Series 2016A Obligations") were executed and delivered on September 22, 2016 by Wells Fargo Bank National Association, as Trustee ("Trustee"), to (i) retire the outstanding Transportation Revenue Bond Anticipation Notes, Series 2016A of the MTA, which were issued to provide interim financing of approved capital program transit and commuter projects, (ii) finance approved capital program transit and commuter projects of the affiliates and subsidiaries of the MTA, (iii) fund an Interest Reserve Requirement in an amount equal to one-sixth (1/6) of the greatest amount of Interest Components (as hereinafter defined) in the current or any future year, (iv) fund a portion of the Capitalized Interest Fund requirement, and (v) finance certain costs of issuance.

Pursuant to the Financing Agreement (as hereinafter defined), the MTA has agreed to pay to, or for the benefit of, the Trustee the "MTA Financing Agreement Amount," consisting of principal and interest components. The Series 2016A Obligations evidence the interest of the Owners thereof in such MTA Financing Agreement Amount payable by the MTA pursuant to the Financing Agreement. The principal amount of the Series 2016A Obligations represent the principal components of the MTA Financing Agreement Amount ("Principal Components") and the interest represent the interest components of the MTA Financing Agreement Amount ("Interest Components"). The Series 2016A Obligations (and the related Principal Components and Interest Components) are special limited obligations payable solely from the Trust Estate established under the MTA Hudson Rail Yards Trust Agreement, dated as of September 1, 2016 ("Trust Agreement"), by and between the MTA and the Trustee.

The Trust Estate consists principally of (i) the regularly scheduled rent, delinquent rent or prepaid rent ("Monthly Ground Rent") to be paid by Ground Lease Tenants (the tenants under the Western Rail Yard Original Ground Lease and each Severed Parcel Ground Lease of the Eastern Rail Yard) of certain parcels being developed on and above the Eastern Rail

Yard and Western Rail Yard portions of the John D. Caemmerer West Side Yards ("Hudson Rail Yards") currently operated by The Long Island Rail Road Company ("LIRR"), (ii) monthly scheduled transfers from the Capitalized Interest Fund during the limited period that the Monthly Ground Rent is abated under the applicable Ground Lease, (iii) payments made by the Ground Lease Tenants if they elect to exercise their option to purchase the fee interest in such parcels ("Fee Purchase Payments"), (iv) Interest Reserve Advances and Direct Cost Rent Credit Payments (collectively "Contingent Support Payments") made by the MTA, (v) rights of the MTA to exercise certain remedies under the Ground Leases and (vi) rights of the Trustee to exercise certain remedies under the Ground Leases and the Fee Mortgages.

Pursuant to the Interagency Financing Agreement, dated as of September 1, 2016 ("Financing Agreement"), by and among the MTA, New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, LIRR, Metro-North Commuter Railroad Company, and MTA Bus Company (collectively, the "Related Transportation Entities"), and the Trustee, the MTA has agreed to pay to the Trustee the MTA Financing Agreement Amount with moneys provided by the Financing Agreement Payments (which are principally the revenues within the Trust Estate) and Interest Reserve Advances. The MTA has established a deposit account with Wells Fargo Bank, National Association, as depositary ("Depositary"), and the MTA will direct all Ground Lease Tenants to make Monthly Ground Rent and Fee Purchase Payments (payments made by the Ground Lease Tenants if they elect to exercise their option to purchase the fee interest in such parcels) directly to the Depositary, which deposits will be transferred daily to the Trustee. In addition, in the event the MTA elects to exercise certain Authority Cure Rights upon the occurrence of a Ground Lease Payment Event of Default or is required to make certain Direct Cost Rent Credit Payments, the MTA will make all payments relating to defaulted and future Monthly Ground Rent directly to the Depositary.

On July 15, 2019, MTA effectuated the early mandatory redemption of a portion of the MTA Hudson Rail Yards Trust Obligations, Series 2016A maturing on November 15, 2046 in the Principal Component of $68. This is due to the payment of Fee Purchase Payments in connection with three commercial condominium units to be owned and occupied by Wells Fargo and KKR.

On September 21, 2020, Moody's Investors Services downgraded Hudson Rail Yard Trust Obligations from A2 to A3 and assigned the Hudson Rail Yard Trust Obligations with a Negative Outlook.

Refer to Note 8 for further information on Leases.

Debt Limitation — The New York State Legislature has imposed limitations on the aggregate amount of debt that the MTA and MTA Bridges and Tunnels can issue to fund the approved transit and commuter capital programs. The current aggregate ceiling, subject to certain exclusions, is $90,100 compared with issuances totaling approximately $37,592. The MTA expects that the current statutory ceiling will allow it to fulfill the bonding requirements of the approved Capital Programs.

Bond Refundings — From time to time, the MTA and MTA Bridges and Tunnels issue refunding bonds to achieve debt service savings or other benefits. The proceeds of refunding bonds are generally used to purchase U.S. Treasury obligations that are placed in irrevocable trusts. The principal and interest within the trusts will be used to repay the refunded debt. The trust account assets and the refunded debt are excluded from the consolidated statements of net position.

At September 30, 2020 and December 31, 2019, the following amounts of MTA bonds, which have been refunded, remain valid debt instruments and are secured solely by and payable solely from their respective irrevocable trusts.

(In millions)	September 30, 2020	December 31, 2019
MTA Transit and Commuter Facilities:		
Transit Facilities Revenue Bonds	$ 127	$ 148
Commuter Facilities Revenue Bonds	126	150
Dedicated Tax Fund Bonds	-	22
MTA Bridges and Tunnels:		
General Purpose Revenue Bonds	539	628
Special Obligation Subordinate Bonds	74	89
Total	$ 866	$ 1,037

For the nine months ended September 30, 2020, MTA refunding transactions decreased aggregate debt service payments by $105 and provided an economic gain of $74. For the nine months ended September 30, 2019, MTA did not have any refunding transactions. Details of bond refunding savings as of September 30, 2020 and December 31, 2019 are as follows (in millions):

Refunding Bonds Issued in 2020	**Series**	**Date issued**	**Par value Refunded**	**Debt Service Savings (Increase)**	**Net Present Value of Savings**
Transportation Revenue Bonds	TRB 2020A-2	1/16/2020	$ 163	$ (56)	$ 43
	TRB 2020B	3/27/2020	274	(49)	31
Total Bond Refunding Savings			$ 437	$ (105)	$ 74

Refunding Bonds Issued in 2019	**Series**	**Date issued**	**Par value Refunded**	**Debt Service Savings (Increase)**	**Net Present Value of Savings**
Transportation Revenue Bonds	TRB 2019D-1	11/07/2019	$ 140	$ (7)	$ 5
	TRB 2019D-2	11/07/2019	101	(62)	9
			241	(69)	14
MTA Bridges and Tunnels General Revenue Bonds	TBTA 2019B	09/25/2019	102	(59)	5
Total Bond Refunding Savings			$ 343	$ (128)	$ 19

For the nine-month periods ended September 30, 2020 and 2019, the accounting gain on bond refundings totaled $46 and the accounting loss on bond refundings totaled $0, respectively.

Unamortized losses related to bond refundings were as follows:

(In millions)	**December 31, 2018**	**(Gain)/loss on refunding**	**2019 amortization**	**December 31, 2019**	**(Gain)/loss on refunding**	**Current year amortization**	**September 30, 2020**
MTA:							
Transportation Revenue Bonds	$ 670	$ -	$ (100)	$ 570	$ (46)	$ (44)	$ 480
State Service Contract Bonds	(12)	-	-	(12)	-	-	(12)
Dedicated Tax Fund Bonds	238	-	(16)	222	-	(12)	210
	896	-	(116)	780	(46)	(56)	678
TBTA:							
General Revenue Bonds	209	-	(17)	192	-	(13)	179
Subordinate Revenue Bonds	33	-	(4)	29	-	(3)	26
	242	-	(21)	221	-	(16)	205
Total	$ 1,138	$ -	$ (137)	$ 1,001	$ (46)	$ (72)	$ 883

Debt Service Payments — Future principal and interest debt service payments at September 30, 2020 are as follows (in millions):

	MTA		MTA BRIDGES AND TUNNELS		Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 2,032	$ 1,502	$ 304	$ 182	$ 2,336	$ 1,684
2021	797	1,468	270	386	1,067	1,854
2022	4,966	1,398	323	372	5,289	1,770
2023	2,201	1,319	350	357	2,551	1,676
2024	988	1,179	377	340	1,365	1,519
2025-2029	5,501	4,868	2,173	1,417	7,674	6,285
2030-2034	6,436	3,867	2,035	969	8,471	4,836
2035-2039	5,505	2,823	1,267	662	6,772	3,485
2040-2044	3,355	1,682	972	389	4,327	2,071
2045-2049	3,558	890	818	170	4,376	1,060
2050-2054	1,692	252	306	40	1,998	292
2055-2059	641	20	-	-	641	20
Thereafter	-	-	-	-	-	-
Total	$ 37,672	$ 21,268	$ 9,195	$ 5,284	$ 46,867	$ 26,552

The above interest amounts include both fixed-rate and variable-rate calculations. The interest rate assumptions for variable rate bonds are as follows:

- *Transportation Revenue Refunding Bonds, Series 2002D* — 4.45% per annum taking into account the interest rate swap plus the current fixed floating rate note spread.
- *Transportation Revenue Refunding Bonds, Series 2002G* — 3.542% per annum taking into account the interest rate swap plus the current fixed floating rate note spread; and 4.00% per annum plus the current fixed floating rate note spread on the unhedged portion.
- *Transportation Revenue Bonds, Series 2005D* — 3.561% per annum taking into account the interest rate swaps.
- *Transportation Revenue Bonds, Series 2005E* — 3.561% per annum taking into account the interest rate swaps and 4.00% per annum on the unhedged portion.
- *Transportation Revenue Bonds, Series 2011B* — 3.542% per annum taking into account the interest rate swaps plus the current fixed floating rate note spread; and 4.00% per annum plus the current fixed floating rate note spread on the unhedged portion.
- *Transportation Revenue Bonds, Series 2012A* — 4.00% per annum plus the current fixed floating rate note spread.
- *Transportation Revenue Bonds, Series 2012G* — 3.563% per annum taking into account the interest rate swaps plus the current fixed floating rate note spread.
- *Transportation Revenue Bonds, Series 2014D-2* — 4.00% per annum plus the current fixed floating rate note spread.
- *Transportation Revenue Bonds, Series 2015A-2*— 4.00% per annum plus the current fixed floating rate note spread.
- *Transportation Revenue Bonds, Series 2015E* — 4.00% per annum.
- *Dedicated Tax Fund Bonds, Series 2002B* — 4.00% per annum on SubSeries 2002B-1; and 4.00% per annum plus the current fixed floating rate note spread.
- *Dedicated Tax Fund Variable Rate Refunding Bonds, Series 2008A* — 3.316% per annum taking into account the interest rate swaps plus the current fixed floating rate note spread; and 4.00% per annum plus the current fixed floating rate note spread on the unhedged portion.
- *Dedicated Tax Fund Refunding Bonds, SubSeries 2008B-3a and 2008B-3c*— 4.00% per annum plus the current fixed floating rate note spread.
- *MTA Bridges and Tunnels Subordinate Refunding Bonds, Series 2000ABCD* — 6.08% per annum taking into account the interest rate swap plus the current fixed floating rate note spread; and 4.00% per annum plus the current fixed floating rate note spread on the unhedged portion.
- *MTA Bridges and Tunnels General Revenue Refunding Bonds, Series 2001C* — 4.00% per annum.
- *MTA Bridges and Tunnels General Revenue Refunding Bonds, Series 2001B* — 4.00% per annum plus the current fixed floating rate note spread.

- *MTA Bridges and Tunnels General Revenue Refunding Bonds, Series 2002F* — 5.404% and 3.076% per annum taking into account the interest rate swaps and 4.00% per annum on portions not covered by the interest rate swaps.
- *MTA Bridges and Tunnels General Revenue Bonds, Series 2003B* — 4.00% per annum; and 4.00% per annum plus the current fixed floating rate note spread on SubSeries 2003B-2.
- *MTA Bridges and Tunnels General Revenue Bonds, Series 2005A* — 4.00% per annum except from November 1, 2027 through November 1, 2030, 3.076% per annum taking into account the interest rate swap.
- *MTA Bridges and Tunnels General Revenue Refunding Bonds, Series 2005B* — 3.076% per annum based on the Initial Interest Rate Swaps plus the current fixed floating rate note spread.
- *MTA Bridges and Tunnels General Revenue Bonds, Series 2008B-2* — 4.00% per annum plus the current fixed floating rate note spread.
- *MTA Bridges and Tunnels General Revenue Bonds, Series 2018D* — 4.00% per annum plus the current fixed floating rate note spread.
- *MTA Bridges and Tunnels General Revenue Bonds, Series 2018E* — 4.00% per annum.

Loans Payable – The MTA and the New York Power Authority (“NYPA”) entered into an updated Energy Services Program Agreement (“ESP Agreement”). The ESP Agreement authorized MTA affiliates and subsidiaries to enter into a Customer Installation Commitment (“CIC”) with NYPA for turn-key, energy efficiency projects, which would usually be long-term funded and constructed by NYPA. The repayment period for the NYPA loan can be up to 20 years, but can be repaid at any time without penalty.

The Loans Payable debt service requirements at September 30, 2020 are as follows (in millions):

Year	Principal	Interest	Total
2020	$ 11	$ 2	$ 13
2021	13	2	15
2022	12	2	14
2023	15	2	17
2024	7	1	8
2025-2029	36	5	41
2030-2034	17	1	18
2035-2039	2	0	2
Total	$ 113	$ 15	$ 128
Current portion	$ 13		
Long-term portion	100		
Total NYPA Loans Payable	$ 113		

The above interest amounts include both fixed and variable rate calculations. Interest on the variable-rate loan is paid at the Securities Industry and Financial Markets Association Municipal Swap Index (“SIFMA”) rate and is reset annually.

Tax Rebate Liability — Under the Internal Revenue Code of 1986, the MTA may accrue a liability for an amount of rebateable arbitrage resulting from investing low-yielding, tax-exempt bond proceeds in higher-yielding, taxable securities. The arbitrage liability is payable to the federal government every five years. No accruals or payments were made during the periods ended September 30, 2020 and December 31, 2019.

Liquidity Facility — MTA and MTA Bridges and Tunnels have entered into several Standby Bond Purchase Agreements ("SBPA") and Letter of Credit Agreements ("LOC") as listed on the table below.

Resolution	Series	Swap	Provider (Insurer)	Type of Facility	Exp. Date
Transportation Revenue	2002G-1g	Y	TD Bank, N.A.	LOC	11/1/2021
Transportation Revenue	2005D-2	Y	Helaba	LOC	11/10/2022
Transportation Revenue	2005E-1	Y	PNC Bank, National Association	LOC	8/20/2021
Transportation Revenue	2005E-2	Y	Bank of America, N.A.	LOC	12/10/2021
Transportation Revenue	2005E-1	Y	PNC Bank, National Association	LOC	8/20/2021
Transportation Revenue	2012A-2	N	Bank of Montreal	LOC	6/2/2022
Transportation Revenue	2012G-1	Y	Barclays Bank	LOC	10/31/2023
Transportation Revenue	2012G-2	Y	TD Bank, N.A.	LOC	11/1/2021
Transportation Revenue	2015E-1	N	U.S. Bank National Association	LOC	8/20/2021
Transportation Revenue	2015E-3	N	Bank of America, N.A.	LOC	9/2/2022
Transportation Revenue	2015E-4	N	PNC Bank, National Association	LOC	9/3/2021
Dedicated Tax Fund	2002B-1	N	Bank of Tokyo Mitsubishi	LOC	3/22/2021
Dedicated Tax Fund	2008A-1	Y	TD Bank, N.A.	LOC	6/13/2022
MTA Bridges and Tunnels General Revenue	2001C	Y	State Street	LOC	6/26/2023
MTA Bridges and Tunnels General Revenue	2002F	Y	Citibank, N.A.	LOC	10/29/2021
MTA Bridges and Tunnels General Revenue	2003B-1	N	Bank of America, N.A.	LOC	1/21/2022
MTA Bridges and Tunnels General Revenue	2005A	Y	Barclays Bank	LOC	1/24/2024
MTA Bridges and Tunnels General Revenue	2005B-2	Y	Citibank, N.A.	LOC	1/23/2021
MTA Bridges and Tunnels General Revenue	2005B-3	Y	State Street	LOC	6/26/2023
MTA Bridges and Tunnels General Revenue	2005B-4c	Y	U.S. Bank National Association	LOC	5/26/2022
MTA Bridges and Tunnels General Revenue	2018E	N	Bank of America, N.A.	LOC	12/12/2022

Derivative Instruments — Fair value for the swaps is calculated in accordance with GASB Statement No. 72, utilizing the income approach and Level 2 inputs. It incorporates the mid-market valuation, nonperformance risk of either MTA/ MTA Bridges and Tunnels or the counterparty, as well as bid/offer. The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The fair value balances and notional amounts of derivative instruments outstanding at September 30, 2020 and December 31, 2019, classified by type, and the changes in fair value of such derivative instruments from the year ended December 31, 2019 are as follows (in $ millions):

Derivative Instruments - Summary Information as of September 30, 2020

Bond Resolution Credit	Underlying Bond Series	Type of Derivative	Cash Flow or Fair Value Hedge	Effective Methodology	Trade/Hedge Association Date	Notional Amount	Fair Value
Cashflow Hedges							
MTA Bridges and Tunnels Senior Revenue Bonds	2005B-[2,3,4]	Libor Fixed Payer	Cash Flow	Synthetic Instrument	6/2/2005	$ 564.900	$ (134.299)
MTA Bridges and Tunnels Senior Revenue Bonds	2002F & 2003B-2 (Citi 2005B)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	6/2/2005	188.300	(44.766)
MTA Bridges and Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	21.780	(3.284)
MTA Bridges and Tunnels Senior Revenue Bonds	2001C (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	12/5/2016	10.000	(1.535)
MTA Dedicated Tax Fund Bonds	2008A	Libor Fixed Payer	Cash Flow	Synthetic Instrument	3/8/2005	304.000	(55.762)
MTA Transportation Revenue Bonds	2002D-2	Libor Fixed Payer	Cash Flow	Synthetic Instrument	7/11/2002	200.000	(68.133)
MTA Transportation Revenue Bonds	2005D & 2005E	Libor Fixed Payer	Cash Flow	Synthetic Instrument	9/10/2004	350.420	(71.638)
MTA Transportation Revenue Bonds	2012G	Libor Fixed Payer	Cash Flow	Synthetic Instrument	12/12/2007	356.375	(93.784)
MTA Transportation Revenue Bonds	2002G-1 (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	97.215	(8.803)
MTA Transportation Revenue Bonds	2011B (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	92.455	(19.797)
					Total	**$ 2,185.445**	**$ (501.801)**

Derivative Instruments - Summary Information as of December 31, 2019

Bond Resolution Credit	Underlying Bond Series	Type of Derivative	Cash Flow or Fair Value Hedge	Effective Methodology	Trade/Hedge Association Date	Notional Amount	Fair Value
Cashflow Hedges							
MTA Bridges and Tunnels Senior Revenue Bonds	2002F & 2003B-2 (Citi 2005B)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	6/2/2005	$ 189.300	$ (32.439)
MTA Bridges and Tunnels Senior Revenue Bonds	2005B-2,3,4	Libor Fixed Payer	Cash Flow	Synthetic Instrument	6/2/2005	567.900	(97.316)
MTA Bridges and Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	22.650	(2.699)
MTA Bridges and Tunnels Senior Revenue Bonds	2005C (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	12/5/2016	21.275	(1.280)
MTA Dedicated Tax Fund Bonds	2008A	Libor Fixed Payer	Cash Flow	Synthetic Instrument	3/8/2005	304.000	(44.413)
MTA Transportation Revenue Bonds	2002D-2	Libor Fixed Payer	Cash Flow	Synthetic Instrument	7/11/2002	200.000	(67.381)
MTA Transportation Revenue Bonds	2005D & 2005E	Libor Fixed Payer	Cash Flow	Synthetic Instrument	9/10/2004	350.420	(67.540)
MTA Transportation Revenue Bonds	2012G	Libor Fixed Payer	Cash Flow	Synthetic Instrument	12/12/2007	356.375	(86.689)
MTA Transportation Revenue Bonds	2002G-1 (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	112.730	(7.972)
MTA Transportation Revenue Bonds	2011B (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	84.520	(15.530)
					Total	$ 2,209.170	$ (423.259)

	Changes In Fair Value		Fair Value at September 30, 2020		
	Classification	Amount (in millions)	Classification	Amount (in millions)	Notional (in millions)
Government activities					
Cash Flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow of resources	$(78.542)	Debt	$(501.801)	$2,185.445

Swap Agreements Relating to Synthetic Fixed Rate Debt

Board-adopted Guidelines. The Related Entities adopted guidelines governing the use of swap contracts on March 26, 2002. The guidelines were amended and approved by the MTA Board on March 13, 2013. The guidelines establish limits on the amount of interest rate derivatives that may be outstanding and specific requirements that must be satisfied for a Related Entity to enter into a swap contract, such as suggested swap terms and objectives, retention of a swap advisor, credit ratings of the counterparties, collateralization requirements and reporting requirements.

Objectives of synthetic fixed rate debt. To achieve cash flow savings through a synthetic fixed rate, MTA and MTA Bridges and Tunnels have entered into separate pay-fixed, receive-variable interest rate swaps at a cost anticipated to be less than what MTA and MTA Bridges and Tunnels would have paid to issue fixed-rate debt, and in some cases where Federal tax law prohibits an advance refunding to synthetically refund debt on a forward basis.

Terms and Fair Values. The terms, fair values and counterparties of the outstanding swaps of MTA and MTA Bridges and Tunnels are reflected in the following tables (as of September 30, 2020).

Metropolitan Transportation Authority						
Related Bonds	**Notional Amount as of 9/30/20**	**Effective Date**	**Maturity Date**	**Terms**	**Counterparty and Ratings(S&P / Moody's / Fitch)**	**Fair Value as of 9/30/20**
TRB 2002D-2	$ 200.000	01/01/07	11/01/32	Pay 4.45%; receive 69% 1M LIBOR	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	$ (68.133)
TRB 2005D & 2005E	262.815	11/02/05	11/01/35	Pay 3.561%; receive 67% 1M LIBOR	UBS AG (A+ / Aa3 / AA-)	(53.729)
TRB 2005E	87.605	11/02/05	11/01/35	Pay 3.561%; receive 67% 1M LIBOR	AIG Financial Products [1] (BBB+ / Baa1 / BBB+)	(17.909)
TRB 2012G	356.375	11/15/12	11/01/32	Pay 3.563%; receive 67% 1M LIBOR	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	(93.784)
DTF 2008A	304.000	03/24/05	11/01/31	Pay 3.3156%; receive 67% 1M LIBOR	Bank of New York Mellon (AA- / Aa2 / AA)	(55.763)
Total	**$ 1,210.795**					**$ (289.318)**

1 Guarantor: American International Group, Inc., parent of AIG Financial Products.

MTA Bridges and Tunnels						
Related Bonds	**Notional Amount as of 9/30/20**	**Effective Date**	**Maturity Date**	**Terms**	**Counterparty and Ratings (S&P / Moody's / Fitch)**	**Fair Value as of 9/30/20**
TBTA 2002F & 2003B-2	$ 188.300	07/07/05	01/01/32	Pay 3.076%; receive 67% 1M LIBOR	Citibank, N.A. (A+ / Aa3 / A+)	$ (44.766)
TBTA 2005B-2	188.300	07/07/05	01/01/32	Pay 3.076%; receive 67% 1M LIBOR	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	(44.766)
TBTA 2005B-3	188.300	07/07/05	01/01/32	Pay 3.076%; receive 67% 1M LIBOR	BNP Paribas US Wholesale Holdings, Corp. (1) (A+ / Aa3 / AA-)	(44.766)
TBTA 2005B-4	188.300	07/07/05	01/01/32	Pay 3.076%; receive 67% 1M LIBOR	UBS AG (A+ / Aa3 / AA-)	(44.767)
TRB 2002G-1 & 2011B TBTA 2005A & 2001C [2]	110.725 [3]	04/01/16	01/01/30	Pay 3.52%; receive 67% 1M LIBOR	U.S. Bank N.A. (AA- / A1 / AA-)	(16.709) [3]
TRB 2002G-1 & 2011B TBTA 2005A & 2001C [2]	110.725 [3]	04/01/16	01/01/30	Pay 3.52%; receive 67% 1M LIBOR	Wells Fargo Bank, N.A. (A+ / Aa2 / AA-)	(16.709) [3]
Total	**$ 974.650**					**$ (212.483)**

1 Guarantor: BNP Paribas.

2 Between November 22, 2016 and December 5, 2016, the Variable Rate Certificates of Participation, Series 2004A were redeemed. Corresponding notional amounts from the Series 2004A COPs were reassigned to MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2001C.

3 Pursuant to an Interagency Agreement (following novations from UBS in April 2016), MTA New York City Transit is responsible for 68.7%, MTA is responsible for 21.0%, and TBTA is responsible for 10.3% of the transaction.

LIBOR: London Interbank Offered Rate
TRB: Transportation Revenue Bonds
DTF: Dedicated Tax Fund Bonds

Risks Associated with the Swap Agreements

From MTA's and MTA Bridges and Tunnels' perspective, the following risks are generally associated with swap agreements:

Credit Risk. The risk that a counterparty becomes insolvent or is otherwise not able to perform its financial obligations. To mitigate the exposure to credit risk, the swap agreements include collateral provisions in the event of downgrades to the swap counterparties' credit ratings. Generally, MTA and MTA Bridges and Tunnels' swap agreements contain netting provisions under which transactions executed with a single counterparty are netted to determine collateral amounts. Collateral may be posted with a third-party custodian in the form of cash, U.S. Treasury securities, or certain Federal agency securities. MTA and MTA Bridges and Tunnels require its counterparties to fully collateralize if ratings fall below certain levels (in general, at the Baa1/BBB+ or Baa2/BBB levels), with partial posting requirements at higher rating levels (details on collateral posting discussed further under "Collateralization/Contingencies"). As of September 30, 2020, all of the valuations were in liability positions to MTA and MTA Bridges and Tunnels; accordingly, no collateral was posted by any of the counterparties.

The following table shows, as of September 30, 2020, the diversification, by percentage of notional amount, among the various counterparties that have entered into ISDA Master Agreements with MTA and/or MTA Bridges and Tunnels. The notional amount totals below include all swaps.

Counterparty	S&P	Moody's	Fitch	Notional Amount (in thousands)	% of Total Notional Amount
JPMorgan Chase Bank, NA	A+	Aa2	AA	$744,675	34.07%
UBS AG	A+	Aa3	AA-	451,115	20.64
The Bank of New York Mellon	AA-	Aa2	AA	304,000	13.91
Citibank, N.A.	A+	Aa3	A+	188,300	8.62
BNP Paribas US Wholesale Holdings, Corp..	A+	Aa3	AA-	188,300	8.61
U.S. Bank National Association	AA-	A1	AA-	110,725	5.07
Wells Fargo Bank, N.A.	A+	Aa2	AA-	110,725	5.07
AIG Financial Products Corp.	BBB+	Baa1	BBB+	87,605	4.01
Total				**$2,185,445**	**100.00%**

Interest Rate Risk. MTA and MTA Bridges and Tunnels are exposed to interest rate risk on the interest rate swaps. On the pay-fixed, receive variable interest rate swaps, as LIBOR decreases, MTA and MTA Bridges and Tunnels' net payments on the swaps increase.

Basis Risk. The risk that the variable rate of interest paid by the counterparty under the swap and the variable interest rate paid by MTA or MTA Bridges and Tunnels on the associated bonds may not be the same. If the counterparty's rate under the swap is lower than the bond interest rate, then the counterparty's payment under the swap agreement does not fully reimburse MTA or MTA Bridges and Tunnels for its interest payment on the associated bonds. Conversely, if the bond interest rate is lower than the counterparty's rate on the swap, there is a net benefit to MTA or MTA Bridges and Tunnels.

Termination Risk. The risk that a swap agreement will be terminated and MTA or MTA Bridges and Tunnels will be required to make a swap termination payment to the counterparty and, in the case of a swap agreement which was entered into for the purpose of creating a synthetic fixed rate for an advance refunding transaction may also be required to take action to protect the tax-exempt status of the related refunding bonds.

The ISDA Master Agreement sets forth certain termination events applicable to all swaps entered into by the parties to that ISDA Master Agreement. MTA and MTA Bridges and Tunnels have entered into separate ISDA Master Agreements with each counterparty that govern the terms of each swap with that counterparty, subject to individual terms negotiated in a confirmation. MTA and MTA Bridges and Tunnels are subject to termination risk if its credit ratings fall below certain specified thresholds or if MTA/MTA Bridges and Tunnels commits a specified event of default or other specified event of termination. If, at the time of termination, a swap were in a liability position to MTA or MTA Bridges and Tunnels, a termination payment would be owed by MTA or MTA Bridges and Tunnels to the counterparty, subject to applicable netting arrangements.

The following tables set forth the Additional Termination Events for MTA/MTA Bridges and Tunnels and its counterparties.

MTA Transportation Revenue		
Counterparty Name	**MTA**	**Counterparty**
AIG Financial Products Corp.; JPMorgan Chase Bank, NA; UBS AG	Below Baa3 (Moody's) or BBB- (S&P)*	Below Baa3 (Moody's) or BBB- (S&P)*

**Note: Equivalent Fitch rating is replacement for Moody's or S&P.*

MTA Dedicated Tax Fund		
Counterparty Name	**MTA**	**Counterparty**
Bank of New York Mellon	Below BBB (S&P) or BBB (Fitch)*	Below A3 (Moody's) or A- (S&P)**

**Note: Equivalent Moody's rating is replacement for S&P or Fitch.*
***Note: Equivalent Fitch rating is replacement for Moody's or S&P.*

MTA Bridges and Tunnels Senior Lien		
Counterparty Name	**MTA Bridges and Tunnels**	**Counterparty**
BNP Paribas US Wholesale Holdings, Corp.; Citibank, N.A.; JPMorgan Chase Bank, NA; UBS AG	Below Baa2 (Moody's) or BBB (S&P)*	Below Baa1 (Moody's) or BBB+ (S&P)*

**Note: Equivalent Fitch rating is replacement for Moody's or S&P.*

MTA Bridges and Tunnels Subordinate Lien		
Counterparty Name	**MTA Bridges and Tunnels**	**Counterparty**
U.S. Bank National Association; Wells Fargo Bank, N.A.	Below Baa2 (Moody's) or BBB (S&P)*	Below Baa2 (Moody's) or BBB (S&P)**

**Note: Equivalent Fitch rating is replacement for Moody's or S&P. If not below Investment Grade, MTA Bridges and Tunnels may cure such Termination Event by posting collateral at a Zero threshold.*
***Note: Equivalent Fitch rating is replacement for Moody's or S&P.*

MTA and MTA Bridges and Tunnels' ISDA Master Agreements provide that the payments under one transaction will be netted against other transactions entered into under the same ISDA Master Agreement. Under the terms of these agreements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the amounts so that a single sum will be owed by, or owed to, the non-defaulting party.

Rollover Risk. The risk that the swap agreement matures or may be terminated prior to the final maturity of the associated bonds on a variable rate bond issuance, and MTA or MTA Bridges and Tunnels may be exposed to then market rates and cease to receive the benefit of the synthetic fixed rate for the duration of the bond issue. The following debt is exposed to rollover risk:

Associated Bond Issue	Bond Maturity Date	Swap Termination Date
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2001C (swaps with U.S. Bank/Wells Fargo)	January 1, 2032	January 1, 2030
MTA Bridges and Tunnels General Revenue Variable Rate Refunding Bonds, Series 2002F (swap with Citibank, N.A.)	November 1, 2032	January 1, 2032
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2003B (swap with Citibank, N.A.)	January 1, 2033	January 1, 2032
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A (swaps with U.S. Bank/Wells Fargo and Citibank, N.A.)	November 1, 2041	January 1, 2030 (U.S. Bank/Wells Fargo) January 1, 2032 (Citibank)
MTA Transportation Revenue Variable Rate Bonds, Series 2011B (swaps with U.S. Bank/Wells Fargo)	November 1, 2041	January 1, 2030

Collateralization/Contingencies. Under the majority of the swap agreements, MTA and/or MTA Bridges and Tunnels is required to post collateral in the event its credit rating falls below certain specified levels. The collateral posted is to be in the form of cash, U.S. Treasury securities, or certain Federal agency securities, based on the valuations of the swap agreements in liability positions and net of the effect of applicable netting arrangements. If MTA and/or MTA Bridges and Tunnels do not post collateral, the swap(s) may be terminated by the counterparty(ies).

As of September 30, 2020, the aggregate mid-market valuation of the MTA's swaps subject to collateral posting agreements was $303.1; as of this date, the MTA was not subject to collateral posting based on its credit ratings (see further details below).

As of September 30, 2020, the aggregate mid-market valuation of MTA Bridges and Tunnels' swaps subject to collateral posting agreements was $220.3; as of this date, MTA Bridges and Tunnels was not subject to collateral posting based on its credit ratings (see further details below).

The following tables set forth the ratings criteria and threshold amounts applicable to MTA/MTA Bridges and Tunnels and its counterparties.

MTA Transportation Revenue		
Counterparty	**MTA Collateral Thresholds (based on highest rating)**	**Counterparty Collateral Thresholds (based on highest rating)**
AIG Financial Products Corp.; JPMorgan Chase Bank, NA; UBS AG	Baa1/BBB+: $10 million Baa2/BBB & below: Zero	Baa1/BBB+: $10 million Baa2/BBB & below: Zero

Note: Based on Moody's and S&P ratings. In all cases except JPMorgan counterparty thresholds, Fitch rating is replacement for either Moody's or S&P, at which point threshold is based on lowest rating.

MTA Dedicated Tax Fund		
Counterparty	**MTA Collateral Thresholds**	**Counterparty Collateral Thresholds (based on lowest rating)**
Bank of New York Mellon	N/A–MTA does not post collateral	Aa3/AA- & above: $10 million A1/A+: $5 million A2/A: $2 million A3/A-: $1 million Baa1/BBB+ & below: Zero

MTA Bridges and Tunnels Senior Lien		
Counterparty	**MTA Bridges and Tunnels Collateral Thresholds (based on highest rating)**	**Counterparty Collateral Thresholds (based on highest rating)**
BNP Paribas US Wholesale Holdings, Corp.; Citibank, N.A.; JPMorgan Chase Bank, NA; UBS AG	Baa1/BBB+: $30 million Baa2/BBB: $15 million Baa3/BBB- & below: Zero	A3/A-: $10 million Baa1/BBB+ & below: Zero

Note: MTA Bridges and Tunnels thresholds based on Moody's, S&P, and Fitch ratings. Counterparty thresholds based on Moody's and S&P ratings; Fitch rating is replacement for Moody's or S&P.

MTA Bridges and Tunnels Subordinate Lien		
Counterparty	**MTA Bridges and Tunnels Collateral Thresholds (based on lowest rating)**	**Counterparty Collateral Thresholds (based on lowest rating)**
U.S. Bank National Association; Wells Fargo Bank, N.A.	Baa3/BBB- & below: Zero (*note: only applicable as cure for Termination Event*)	Aa3/AA- & above: $15 million A1/A+ to A3/A-: $5 million Baa1/BBB+ & below: Zero

Note: Thresholds based on Moody's and S&P ratings. Fitch rating is replacement for Moody's or S&P.

Swap Payments and Associated Debt. The following tables contain the aggregate amount of estimated variable- rate bond debt service and net swap payments during certain years that such swaps were entered into in order to: protect against the potential of rising interest rates; achieve a lower net cost of borrowing; reduce exposure to changing interest rates on a related bond issue; or, in some cases where Federal tax law prohibits an advance refunding, achieve debt service savings through a synthetic fixed rate. As rates vary, variable-rate bond interest payments and net swap payments will vary. Using the following assumptions, debt service requirements of MTA's and MTA Bridges and Tunnels' outstanding variable-rate debt and net swap payments are estimated to be as follows:

- It is assumed that the variable-rate bonds would bear interest at a rate of 4.0% per annum.
- The net swap payments were calculated using the actual fixed interest rate on the swap agreements.

MTA (in millions)				
Period Ended September 30, 2020	Variable-Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2020	38.4	46.5	(4.9)	80.0
2021	58.3	44.9	(4.7)	98.5
2022	63.3	42.6	(4.4)	101.5
2023	65.7	40.1	(4.1)	101.6
2024	68.2	37.5	(3.8)	101.8
2025-2029	356.5	173.7	(13.8)	516.5
2030-2034	729.7	391.9	(4.8)	1,116.9
2035-2039	93.5	18.5	(0.6)	111.5

MTA Bridges and Tunnels (in millions)				
Period Ended September 30, 2020	Variable-Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2020	25.4	37.0	(6.9)	55.5
2021	26.6	36.0	(6.8)	55.9
2022	27.6	34.9	(6.8)	55.7
2023	28.6	33.8	(6.8)	55.6
2024	57.2	31.5	(6.4)	82.3
2025-2029	289.2	133.1	(30.5)	391.8
2030-2034	499.7	23.6	(5.2)	518.1
2035-2039	-	2.0	-	2.0

8. LEASE TRANSACTIONS

Leveraged Lease Transactions: Qualified Technological Equipment — On December 19, 2002, the MTA entered into four sale/leaseback transactions whereby MTA New York City Transit transferred ownership of certain MTA New York City Transit qualified technological equipment ("QTE") relating to the MTA New York City Transit automated fare collection system to the MTA. The MTA sold that equipment to third parties and the MTA leased that equipment back from such third parties. Three of those four leases were terminated early and are no longer outstanding. The fourth lease expires in 2022 , at which point the MTA has the option of either exercising a fixed-price purchase option for the equipment or returning the equipment to the third-party owner.

Under the terms of the outstanding sale/leaseback agreement the MTA initially received $74.9, which was utilized as follows: The MTA paid $52.1 to an affiliate of the lender to the third party, which affiliate has the obligation to pay to MTA an amount equal to the rent obligations under the lease attributable to the debt service on the loan from the third party's lender. The MTA also purchased U.S. Treasury debt securities in amounts and with maturities, which are expected to be sufficient to pay the remainder of the regularly scheduled lease rent payments under the lease and the purchase price due upon exercise by the MTA of the related purchase option if exercised.

Leveraged Lease Transaction: Subway Cars — On September 3, 2003, the MTA entered into a sale/leaseback transaction whereby MTA New York City Transit transferred ownership of certain MTA New York City Transit subway cars to the MTA, the MTA sold those cars to a third party, and the MTA leased those cars back from such third party. The MTA subleased the cars to MTA New York City Transit. The lease expires in 2033. At the lease expiration, the MTA has the option of either exercising a fixed-price purchase option for the cars or returning the cars to the third-party owner.

Under the terms of the sale/leaseback agreement, the MTA initially received $168.1, which was utilized as follows: The MTA paid $126.3 to an affiliate of one of the lenders to the third party, which affiliate has the obligation to pay to the MTA an amount equal to the rent obligations under the lease attributable to the debt service on such loan from such third party's lender. The obligations of the affiliate of the third party's lender are guaranteed by American International Group, Inc. The MTA also purchased the Federal National Mortgage Association ("FNMA") and U.S. Treasury securities in amounts and with maturities which are sufficient to make the lease rent payments equal to the debt service on the loans from the other lender to the third party and to pay the remainder of the regularly scheduled rent due under that lease and the purchase price due upon exercise by the MTA of the fixed price purchase option if exercised. The amount remaining after payment of transaction expenses, $7.4, was the MTA's benefit from the transaction.

Leveraged Lease Transactions: Subway Cars — On September 25, 2003 and September 29, 2003, the MTA entered into two sale/leaseback transactions whereby MTA New York City Transit transferred ownership of certain MTA New York City Transit subway cars to the MTA, the MTA sold those cars to third parties, and the MTA leased those cars back from such third parties. The MTA subleased the cars to MTA New York City Transit. Both leases expire in 2033. At the lease expiration, MTAHQ has the option of either exercising a fixed-price purchase option for the cars or returning the cars to the third-party owner.

Under the terms of the sale/leaseback agreements, the MTA initially received $294, which was utilized as follows: In the case of one of the leases, the MTA paid $97 to an affiliate of one of the lenders to the third party, which affiliate has the obligation to pay to the MTA an amount equal to the rent obligations under the lease attributable to the debt service on the loan from such third party's lender. The obligations of the affiliate of such third party's lender are guaranteed by American International Group, Inc. In the case of the other lease, the MTA purchased U.S. Treasury debt securities in amounts and with maturities, which are sufficient for the MTA to make the lease rent payments equal to the debt service on the loan from the lender to that third party. In the case of both of the leases, the MTA also purchased Resolution Funding Corporation ("REFCO") debt securities that mature in 2030. Under an agreement with AIG Matched Funding Corp. (guaranteed by American International Group, Inc.), AIG Matched Funding Corp. receives the proceeds from the REFCO debt securities at maturity and is obligated to pay to the MTA amounts sufficient for the MTA to pay the remainder of the regularly scheduled lease rent payments under those leases and the purchase price due upon exercise by the MTA of the purchase options if exercised. The amount remaining after payment of transaction expenses, $24, was the MTA's net benefit from these two transactions.

On September 16, 2008, the MTA learned that American International Group, Inc. was downgraded to a level that under the terms of the transaction documents for the sale/leaseback transaction that closed on September 29, 2003, the MTA was required to replace or restructure the applicable Equity Payment Undertaking Agreement provided by AIG Financial Products Corp. and guaranteed by American International Group, Inc. On December 17, 2008, MTA terminated the Equity Payment Undertaking Agreement provided by AIG Financial Products Corp. and guaranteed by American International Group, Inc. and provided replacement collateral in the form of U.S. Treasury strips. REFCO debt security that was being held in pledge was released to MTA. On November 6, 2008, the MTA learned that Ambac Assurance Corp., the provider of the credit enhancement that insures the MTA's contingent obligation to pay a portion of the termination values upon an early termination in both the September 25, 2003 and September 29, 2003 transactions, was downgraded to a level that required the provision of new credit enhancement facilities for each lease by December 21, 2008.

On December 17, 2008, MTA terminated the Ambac Assurance Corp. surety bond for the lease transaction that closed on

September 25, 2003 and since then MTA has provided short-term U.S. Treasury debt obligations as replacement collateral. As of September 30, 2020, the market value of total collateral funds was $39.3.

On January 12, 2009, MTA provided a short-term U.S. Treasury debt obligation as additional collateral in addition to the Ambac Assurance Corp. surety bond for the lease transaction that closed on September 29, 2003. From time to time, additional collateral has been required to be added such that the total market value of the securities being held as additional collateral are expected to be sufficient to pay the remainder of the regularly scheduled lease rent payments under the lease. As of September 30, 2020, the market value of total collateral funds was $55.4.

MTA Hudson Rail Yards Ground Leases – In the 1980's, the MTA developed a portion of the Hudson Rail Yards as a storage yard, car wash and repair facility for the Long Island Railroad Company ("LIRR") rail cars entering Manhattan. It was anticipated that, eventually, the air rights above the Hudson Rail Yards would be developed to meet the evolving needs for high-quality commercial, retail, residential and public space in Manhattan. The Hudson Rail Yards is a rectangular area of approximately 26-acres bounded by 10th Avenue on the east, 12th Avenue on the west, 30th Street on the south and 33rd Street on the North. The Hudson Rail Yards is divided into the Eastern Rail Yards ("ERY") and the Western Rail Yards ("WRY").In 2008, the MTA selected a development team led by the Related Companies, L.P to develop a commercial, residential and retail development on the ERY and the WRY.

To undertake the development of the Hudson Rail Yards, the MTA entered into 99-year ground leases ("Balance Leases") for the airspace above a limiting plane above the tracks (from 31st to 33rd Streets) and the area where there are no rail tracks (from 30th to 31St Streets) within the boundary of the Hudson Rail Yards ("Ground Leased Property"). The Balance Leases do not encumber the railroad tracks, which will continue to be used for transportation purposes.

The following ground leases, each with a 99-year term (beginning December 3, 2012), entered into between the MTA, as landlord, and a special purpose entity controlled by Related-Oxford, as Ground Lease tenants, all of which Ground Leases demise the Eastern Rail Yards ("ERY") and were severed from the ERY Balance Lease, dated as of April 10, 2013:

- the Ground Lease demising the Tower A Severed Parcel, also known as 30 Hudson Yards.
- the Ground Lease demising the Tower D Severed Parcel, also known as 15 Hudson Yards.
- the Ground Lease demising the Tower E Severed Parcel, also known as 35 Hudson Yards.
- the Ground Lease demising the Retail Podium Severed Parcel.
- the Ground Lease demising the Retail Pavilion Parcel.

The 99-year West Side Rail Yard ("WRY") Balance Lease (beginning December 3, 2013) between the MTA and a special purpose entity controlled by Related-Oxford demising the WRY and the Severed Parcel Leases to be entered into upon the creation of Severed Parcels that may be severed from the WRY, at the option of the applicable Ground Lease Tenant, upon satisfaction of certain conditions, in order to construct improvements thereon in accordance with the terms of the applicable Severed Parcel Lease.

Both the ERY and WRY Ground Leases were pledged as security for the Series 2016A Hudson Yards Trust Obligations.

The MTA has also entered into the following ground leases which do not provide a source of payment or security for the Series 2016A Hudson Yards Trust Obligations:

- the now-terminated ground lease demising Tower C, also known as 10 Hudson Yards, as to which the Ground Lease tenant closed on its exercise of its Fee Conversion Option on August 1, 2016 for which MTA received $120.
- the ground lease demising the Culture Shed, which does not pay any Monthly Ground Rent, and
- the ground lease demising the Open Space Severed Parcel which does not pay any Monthly Ground Rent.

The Severed Parcel Ground Leases required Ground Lease Tenants, at their sole cost and expense, to construct the Long Island Railroad Roof ("LIRR Roof") over the Long Island Railroad tracks in the Hudson Rail Yards, which LIRR Roof will serve as the foundation for substantial portions of the buildings and other improvements being constructed pursuant to each Severed Parcel Ground Lease. Each Ground Lease tenant has the option to purchase fee title to the Ground Leased Property at any time following completion of construction of the building on the Ground Leased Property.

The MTA has classified the ERY and WRY Ground Leases as operating leases. If at the inception of the ground leases, the leases meet one or more of the following four criteria, the lease should be classified as a capital lease. Otherwise, it should be classified as an operating lease. The ERY and WRY Ground Leases did not meet one or more of the following criteria:

i. The lease transfers ownership of the property to the lessee by the end of the lease term.

ii. The lease contains a bargain purchase option.

iii. The lease term is equal to 75 percent or more of the estimated economic life of the leased property.

iv. The present value at the beginning of the lease term of the minimum lease payments, equals or exceeds 90 percent of the excess of the fair value of the leased property to the lessor at the inception of the lease over any related investment tax credit retained by and expected to be realized by the lessor.

Minimum rent receipts for ERY and WRY Ground Leases are as follows as of September 30, 2020:

Year	ERY	WRY	Total
2020	$ 2	$ 6	$ 8
2021	9	$ 33	42
2022	9	$ 33	42
2023	10	$ 33	43
2024	10	$ 36	46
Thereafter	3,979	14,317	18,296
Total	**$ 4,019**	**$ 14,458**	**$ 18,477**

Other Lease Transactions — On July 29, 1998 the MTA, (solely on behalf of MTA Long Island Rail Road and MTA Metro-North Railroad, MTA New York City Transit, and MTA Bridges and Tunnels) entered into a lease and related agreements whereby each agency, as sublessee, will rent, an office building at Two Broadway in lower Manhattan. The triple-net-lease has an initial stated term of approximately 50 years, with the right to extend the lease for two successive 15-year periods at a rental of at least 95% of fair market rent. Remaining payments under the lease approximate $1.1 billion. Under the subleases, the lease is apportioned as follows: MTA New York City Transit, 68.7%, MTA, 21%; and MTA Bridges and Tunnels, 10.3%. However, the involved agencies have agreed to sub-sublease space from one another as necessary to satisfy actual occupancy needs. The agencies will be responsible for obligations under the lease based on such actual occupancy percentages. Actual occupancy percentages at September 30, 2020, for the MTA New York City Transit, MTA Bridges and Tunnels and MTA (including MTA Bus, MTA Construction and Development and MTA Business Service Center) were 52.8%, 7.5% and 39.7%, respectively. MTAs' sublease is for a year-to-year term, automatically extended, except upon the giving of a non-extension notice by MTA. The lease is comprised of both operating and capital elements, with the portion of the lease attributable to the land recorded as an operating lease, and the portion of the lease attributable to the building recorded as a capital lease. The total annual rental payments over the initial lease term are $1,602 with rent being abated from the commencement date through June 30, 1999. The office building at 2 Broadway, is principally occupied by MTA New York City Transit, MTA Bridges and Tunnels, MTA Construction and Development, and MTAHQ.

MTA reflected a capital lease obligation as of September 30, 2020 and December 31, 2019 of $237 and $237, respectively. The MTA made rent payments of $21 and $28 for the period ended September 30, 2020 and December 31, 2019, respectively. MTA pays the lease payments on behalf of MTA New York City Transit and MTA Bridges and Tunnels and subsequently makes monthly chargebacks in the form of rental payments. During 2019, the total of the rental payments charged to MTA New York City Transit and MTA Bridges and Tunnels was $5.01 and $2.24 less, respectively, than the lease payment made by MTA on behalf of MTA New York City Transit and MTA Bridges and Tunnels.

The adjusted capital lease for the aforementioned building is being amortized over the remaining life of the lease. The cost of the building and related accumulated amortization at September 30, 2020 and December 31, 2019, is as follows (in millions):

	September 30, 2020	December 31, 2019
Capital lease - building	$196	$196
Less accumulated amortization	(98)	(95)
Capital lease - building - net	$98	$101

On April 8, 1994, the MTA amended its lease for the Harlem/Hudson line properties, including Grand Central Terminal. This amendment initially extends the lease term, previously expiring in 2031, an additional 110 years and, pursuant to several other provisions, an additional 133 years. In addition, the amendment grants the MTA an option to purchase the leased property after the 25th anniversary of the amended lease, subject to the owner's right to postpone such purchase option exercise date for up to an additional 15 years if the owner has not yet closed the sale, transfer or conveyance of an aggregate amount of 1,000,000 square feet or more of development rights appurtenant to Grand Central Terminal and the associated zoning lots. The amended lease comprises both operating (for the lease of land) and capital (for the lease of buildings and track structure) elements.

On February 28, 2020, the MTA exercised its right to purchase Grand Central Terminal for $33. Both the operating and capital leases were removed from the balance sheet and the building will now be depreciated as an asset.

In August 1988, the MTA entered into a 99-year lease agreement with Amtrak for Pennsylvania Station. This agreement, with an option to renew, is for rights to the lower concourse level and certain platforms.

The $45 paid to Amtrak by the MTA under this agreement is included in other assets. This amount is being amortized over 30 years.

Total rent expense under operating leases approximated $52.7 and $52.6 for the periods ended September 30, 2020 and 2019, respectively.

At September 30, 2020, the future minimum lease payments under non-cancelable leases are as follows (in millions):

Years	Operating	Capital
2020	$ 41	$ 18
2021	76	23
2022	83	74
2023	83	18
2024	85	21
2025–2029	429	108
2030–2034	458	557
2035–2039	277	157
2040–2044	273	174
2045–2049	201	132
Thereafter	-	-
Future minimum lease payments	$ 2,006	1,282
Amount representing interest		(858)
Total present value of capital lease obligations		424
Less current present value of capital lease obligations		4
Noncurrent present value of capital lease obligations		$ 420

Capital Leases Schedule

For the period ended September 30, 2020

Description	December 31, 2019	Increase	Decrease	September 30, 2020
Sumitomo	$ 15	$ -	$ -	$ 15
Met Life	6	-	-	6
Met Life Equity	19	-	-	19
Bank of New York	22	-	-	22
Bank of America	42	-	9	33
Bank of America Equity	16	-	-	16
Sumitomo	24	-	6	18
Met Life Equity	58	-	-	58
Grand Central Terminal & Harlem Hudson Railroad Lines	13	-	13	-
2 Broadway Lease Improvement	179	-	-	179
2 Broadway	58	-	-	58
Total MTA Capital Lease	$ 452	$ -	$ 28	$ 424
Current Portion Obligations under Capital Lease	14			4
Long Term Portion Obligations under Capital Lease	$ 438			$ 420

Capital Leases Schedule

For the Year Ended December 31, 2019

Description	December 31, 2018	Increase	Decrease	December 31, 2019
Sumitomo	$ 15	$ -	$ -	$ 15
Met Life	6	-	-	6
Met Life Equity	19	-	-	19
Bank of New York	22	-	-	22
Bank of America	39	3	-	42
Bank of America Equity	16	-	-	16
Sumitomo	27	1	4	24
Met Life Equity	55	3	-	58
Grand Central Terminal & Harlem Hudson Railroad Lines	14	-	1	13
2 Broadway Lease Improvement	177	2	-	179
2 Broadway	57	1	-	58
Total MTA Capital Lease	$ 447	$ 10	$ 5	$ 452
Current Portion Obligations under Capital Lease	4			14
Long Term Portion Obligations under Capital Lease	$ 443			$ 438

9. FUTURE OPTION

In 2010, MTA and MTA Long Island Railroad entered into an Air Space Parcel Purchase and Sale Agreement ("Agreement") with Atlantic Yards Development Company, LLC ("AADC") pursuant to which AADC has obtained an exclusive right to purchase fee title to a parcel (subdivided into six sub-parcels) of air space above the MTA Long Island Railroad Vanderbilt Yard in Brooklyn, New York. Initial annual payments of $2 (covering all six sub-parcels) commenced on June 1, 2012 and were paid on the following three anniversaries of that date. Starting on June 1, 2016, and continuing on each anniversary thereof through and including June 1, 2031, an annual option payment in the amount of $11 is due. The Agreement provides that all such payments are (i) fully earned by MTA as of the date due in consideration of the continuing grant to AADC of the rights to purchase the air space sub-parcels, (ii) are non-refundable except under certain limited circumstances and (iii) shall be deemed to be payments on account of successive annual options granted to AADC.

After AADC and its affiliates have completed the new yard and transit improvements to be constructed by them at and in the vicinity of the site, AADC has the right from time to time until June 1, 2031, to close on the purchase of any or all of the six air rights sub-parcels. The purchase price for the six sub-parcels is an amount, when discounted at 6.5% per annum from the date of each applicable payment that equals a present value of $80 as of January 1, 2010. The purchase price of any particular air space sub-parcel is equal to a net present value as of January 1, 2010 (calculated based on each applicable payment) of the product of that sub-parcel's percentage of the total gross square footage of permissible development on all six air space sub-parcels multiplied by $80.

10. ESTIMATED LIABILITY ARISING FROM INJURIES TO PERSONS

A summary of activity in estimated liability as computed by actuaries arising from injuries to persons, including employees, and damage to third-party property for the period ended September 30, 2020 and year ended December 31, 2019 is presented below (in millions):

	September 30, 2020	December 31, 2019
Balance - beginning of year	$ 4,587	$ 4,254
Activity during the year:		
Current year claims and changes in estimates	637	884
Claims paid	(331)	(551)
Balance - end of year	4,893	4,587
Less current portion	(502)	(501)
Long-term liability	$ 4,391	$ 4,086

See Note 2 for additional information on MTA's liability and property disclosures.

11. COMMITMENTS AND CONTINGENCIES

The MTA Group monitors its properties for the presence of pollutants and/or hazardous wastes and evaluates its exposure with respect to such matters. When the expense, if any, to clean up pollutants and/or hazardous wastes is estimable it is accrued by the MTA (see Note 12).

Management has reviewed with counsel all actions and proceedings pending against or involving the MTA Group, including personal injury claims. Although the ultimate outcome of such actions and proceedings cannot be predicted with certainty at this time, management believes that losses, if any, in excess of amounts accrued resulting from those actions will not be material to the financial position, results of operations, or cash flows of the MTA.

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. While there have been some questioned costs in recent years, ultimate repayments required of the MTA have been infrequent.

Financial Guarantee — *Moynihan Station Development Project* - On May 22, 2017, the MTA Board approved entering into various agreements, including a Joint Services Agreement ("JSA"), necessary to effectuate Phase 2 of the Moynihan Station Development Project (the "Project"), which will entail the redevelopment of the James A. Farley Post Office Building to include a new world-class train hall to be shared by National Railroad Passenger Corporation ("Amtrak"), the Long Island Rail Road and Metro-North Commuter Railroad (the "Train Hall"), as well as retail and commercial space (Retail and Commercial Space).

On July 21, 2017, New York State Urban Development Corporation d/b/a Empire State Development ("ESD") executed a TIFIA Loan Agreement with the United States Department of Transportation (the "TIFIA Lender") in an amount of up to $526 (the "TIFIA Loan"), with a final maturity date of the earlier of (1) October 30, 2055 and (2) the last semi-annual payment date occurring no later than the date that is thirty-five (35) years following the date on which the Train Hall is substantially completed. The proceeds of the TIFIA Loan are being used to pay for costs of the construction of the Train Hall. The TIFIA Loan is secured by a mortgage on the Train Hall property. The principal and interest on the TIFIA Loan is payable from a pledged revenue stream that primarily consists of PILOT payments to be paid by certain tenants in the Retail and Commercial Space. The amount of the PILOT payments is fixed through September, 2030 and is thereafter calculated based upon the assessed value of the properties as determined by New York City. The TIFIA Loan is further supported by a TIFIA Debt Service Reserve Account, which is funded in an amount equal to the sum of the highest aggregate TIFIA debt service amounts that will become due and payable on any two consecutive semi-annual payment dates in a five-year prospective period.

Simultaneously with the execution of the TIFIA Loan Agreement, the JSA was entered into by and among the MTA, the TIFIA Lender, ESD, and Manufacturers and Traders Trust Company (as Pilot trustee). Under the JSA, MTA is obligated to satisfy semi-annual deficiencies in the TIFIA Debt Service Reserve Account. MTA's obligations under the JSA are secured by the same moneys available to MTA for the payment of the operating and maintenance expenses of the operating agencies.

MTA's obligation under the JSA remains in effect until the earliest to occur of (a) the MTA JSA Release Date (as defined in the JSA and generally summarized below), (b) the date on which the TIFIA Loan has been paid in full and (c) foreclosure by the TIFIA Lender under the Mortgage (as defined in the TIFIA Loan Agreement).

The obligations of the MTA under the JSA will be terminated and released on the date (the "MTA JSA Release Date") on which each of the following conditions have been satisfied: (a) substantial completion of (1) the Train Hall Project and initiation by LIRR and Amtrak of transportation operations therein, and (2) the Retail and Commercial Space; (b) all material construction claims have been discharged or settled; (c) the PILOT payments have been calculated based upon assessed value for at least three years (i.e., 2033); (d) certain designated defaults or events of default under the TIFIA Loan Agreement have not occurred and are continuing; and (e) either of the following release tests shall have been satisfied:

- Release Test A: (a) certain debt service coverage ratios have equaled or exceeded levels set forth in the JSA, taking into consideration assessment appeals; (b) occupancy levels have equaled or exceeded levels set forth in the JSA; and (c) the TIFIA Loan is rated no lower than "BBB-" or "Baa3" by one rating agency, all as more fully described in the JSA; or
- Release Test B: the TIFIA Loan is rated no lower than "A-" or "A3" by two rating agencies, all as more fully described in the JSA.

On the date the JSA was executed and delivered, MTA deposited $20 into an account, which MTA invests, to be used in accordance with the JSA to reimburse MTA in the event it is obligated under the JSA to make semi-annual deficiency payments to the TIFIA Debt Service Reserve Account.

On June 12, 2017, the MTA entered into a Memorandum of Understanding with ESD and the New York State Division of the Budget (the "Division") whereby the Division agreed that in the event in any given year during the term of the JSA (i) the MTA is required to make a semi-annual deficiency payment to the TIFIA Debt Service Reserve Account, and (ii) the Division has determined that the MTA has incurred an expense that would otherwise have been incurred by the State of New York (the "State Expense"), the Division will consider entering into a cost recovery agreement with the MTA pursuant to subdivision 4 of Section 2975 of the Public Authorities Law (the "PAL") for such year that will provide that in lieu of paying the full assessment pursuant to subdivisions 2 and 3 of Section 2975 of the PAL in any such year, any such assessment shall be reduced by the State Expense.

12. POLLUTION REMEDIATION COST

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, an operating expense provision and corresponding liability measured at its current value using the expected cash flow method is recognized when an obligatory event occurs. Pollution remediation obligations are estimates and subject to changes resulting from price increase or reductions, technology, or changes in applicable laws or regulations. The MTA does not expect any recoveries of cost that would have a material effect on the recorded obligations.

The MTA recognized pollution remediation expenses of $4 and $6 for the periods ended September 30, 2020 and 2019, respectively. A summary of the activity in pollution remediation liability at September 30, 2020 and December 31, 2019 were as follows:

	September 30, 2020	December 31, 2019
Balance at beginning of year	$ 151	$ 139
Current year expenses/changes in estimates	4	42
Current year payments	(14)	(30)
Balance at end of year	141	151
Less current portion	30	31
Long-term liability	$ 111	$ 120

The MTA's pollution remediation liability primarily consists of future remediation activities associated with asbestos removal, lead abatement, ground water contamination, arsenic contamination and soil remediation.

13. NON-CURRENT LIABILITIES

Changes in the activity of non-current liabilities for the periods ended September 30, 2020 and December 31, 2019 are presented below:

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019	Additions	Reductions	Balance September 30, 2020
Non-current liabilities:							
Contract retainage payable	$ 406	$ 24	$ -	430	$ 29	$ -	$ 459
Other long-term liabilities	376	-	(4)	372	-	(26)	346
Total non-current liabilities	**$ 782**	**$ 24**	**$ (4)**	**$ 802**	**$ 29**	**$ (26)**	**$ 805**

14. NOVEL CORONAVIRUS (COVID-19)

On March 12, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in the face of the global spread of the virus. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China and has since spread globally, including to the United States and to New York State. On March 7, 2020, Governor Cuomo declared a Disaster Emergency in the State of New York. On March 13, 2020, President Trump declared a national state of emergency as a result of the COVID-19 pandemic. By order of Governor Cuomo ("New York State on PAUSE"), effective March 22, 2020, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. The PAUSE order was lifted on May 15, 2020 for five New York regions that met the requirements to start opening. However, a new order was signed by Governor Cuomo on May 15, 2020 extending the PAUSE to June 13, 2020 for New York City, Long Island and the Hudson Valley. The impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic resulted in a sharp decline in the utilization of MTA services, dramatic declines in MTA public transportation system ridership and fare revenues, and MTA Bridge and Tunnel crossing traffic and toll revenues.

The Coronavirus Aid, Relief and Economic Security Act, also known as the CARES Act, is a $2.2 trillion economic stimulus bill passed by Congress and signed into law by the President on March 27, 2020 in response to the economic fallout of the COVID-19 pandemic in the United States. The CARES Act through the Federal Transit Administration's ("FTA") formula funding provisions is providing approximately $4 billion to MTA. Funding will be provided at a 100 percent Federal share, with no local match required, and is available to support operating, capital and other expenses generally eligible under those programs and incurred beginning on January 20, 2020, to prevent, prepare for, and respond to the COVID-19 pandemic, including operating service for essential workers, such as medical personnel and first responders. On May 8, 2020, the FTA approved MTA's initial grant application of $3.9 billion. On June 25, 2020, FTA approved an amendment to the initial CARES Act grant adding approximately $98 million in additional formula grant allocations to MTA for a CARES Act grant total of $4.009 billion. As of September 30, 2020, a total of $4.010 billion has been released to MTA for operating assistance that occurred from January 20, 2020 through July 31, 2020. The MTA has received all CARES Act funding as provided in the first congressional relief package.

15. FUEL HEDGE

MTA partially hedges its fuel cost exposure using financial hedges. All MTA fuel hedges provide for up to 24 monthly settlements. The table below summarizes twenty-four (24) active ultra-low sulfur diesel ("ULSD") hedges in whole dollars:

Counterparty	Cargill	BOA_ Merrill	BOA_ Merrill	Cargill	Cargill	Goldman Sachs	Goldman Sachs	Goldman Sachs
Trade Date	10/30/2018	11/27/2018	1/3/2019	1/29/2019	2/28/2019	3/28/2019	4/30/2019	5/28/2019
Effective Date	10/1/2019	11/1/2019	12/1/2019	1/1/2020	2/1/2020	3/1/2020	4/1/2020	5/1/2020
Termination Date	9/30/2020	10/31/2020	11/30/2020	12/31/2020	1/31/2021	2/28/2021	3/31/2021	4/30/2021
Price/Gal	$2.2455	$1.9213	$1.7885	$1.9390	$2.0518	$2.0045	$2.0650	$1.9675
Original Notional Quantity	2,831,934	3,023,197	2,856,019	2,856,014	2,793,123	2,849,714	2,874,889	2,851,286

Counterparty	Goldman Sachs	Goldman Sachs	Macquarie Energy LLC	BOA_ Merrill	Goldman Sachs	Goldman Sachs	BOA_ Merrill	BOA_ Merrill
Trade Date	6/25/2019	7/30/2019	8/27/2019	9/30/2019	10/29/2019	11/26/2019	12/30/2019	1/30/2020
Effective Date	6/1/2020	7/1/2020	8/1/2020	9/1/2020	10/1/2020	11/1/2020	12/1/2020	1/1/2021
Termination Date	5/31/2021	6/30/2021	7/31/2021	8/31/2021	9/30/2021	10/31/2021	11/30/2021	12/31/2021
Price/Gal	$1.9200	$1.8875	$1.7790	$1.8075	$1.8420	$1.8600	$1.9040	$1.7100
Original Notional Quantity	2,851,258	2,788,533	2,842,790	2,844,946	2,839,784	2,839,778	2,839,796	2,839,808

Counterparty	Goldman Sachs	Cargill	Macquarie Energy LLC	Goldman Sachs	BOA_ Merrill	Macquarie Energy LLC	Goldman Sachs	Goldman Sachs
Trade Date	2/25/2020	3/24/2020	4/30/2020	5/27/2020	6/30/2020	7/28/2020	8/27/2020	9/29/2020
Effective Date	2/1/2021	3/1/2021	4/1/2021	5/1/2021	6/1/2021	7/1/2021	8/1/2021	9/1/2021
Termination Date	1/31/2022	2/28/2022	3/31/2022	4/30/2022	5/31/2022	6/30/2022	7/31/2022	8/31/2022
Price/Gal	$1.6750	$1.3473	$1.1800	$1.2640	$1.3685	$1.4200	$1.4340	$1.3145
Original Notional Quantity	2,841,331	2,819,772	2,819,762	2,819,768	2,819,748	2,819,761	2,819,736	2,862,960

The monthly settlements are based on the daily prices of the respective commodities whereby MTA will either receive a payment, or make a payment to the various counterparties depending on the average monthly price of the commodities in relation to the contract prices. At a contract's termination date, the MTA will take delivery of the fuel. As of September 30, 2020, the total outstanding notional value of the ULSD contracts was 52.2 million gallons with a negative fair market value of $21.7. The valuation of each trade was based on discounting future net cash flows to a single current amount (the income approach) using observable commodity futures prices (Level 2 inputs).

16. CONDENSED COMPONENT UNIT INFORMATION

The following tables present condensed financial information for MTA's component units (in millions).

September 30, 2020	MTA	Metro - North Railroad	Long Island Railroad	New York City Transit Authority	Triborough Bridge and Tunnel Authority	Eliminations	Consolidated Total
Current assets	$ 10,352	$ 248	$ 256	$ 548	$ 1,679	$ (382)	$ 12,701
Capital assets	12,499	5,622	8,479	45,683	7,082	-	79,365
Other Assets	13,824	-	-	1	477	(13,201)	1,101
Intercompany receivables	1,996	162	259	694	38	(3,149)	-
Deferred outflows of resources	1,619	438	555	2,270	539	(228)	5,193
Total assets and deferred outflows of resources	**$ 40,290**	**$ 6,470**	**$ 9,549**	**$ 49,196**	**$ 9,815**	**$ (16,960)**	**$ 98,360**
Current liabilities	$ 4,594	$ 358	$ 329	$ 2,224	$ 925	$ (73)	$ 8,357
Non-current liabilities	41,576	2,148	3,773	22,087	10,918	(211)	80,291
Intercompany payables	2,200	190	127	947	489	(3,953)	-
Deferred inflows of resources	276	145	264	1,855	109	-	2,649
Total liabilities and deferred inflows of resources	**$ 48,646**	**$ 2,841**	**$ 4,493**	**$ 27,113**	**$ 12,441**	**$ (4,237)**	**$ 91,297**
Net investment in capital assets	$ (29,488)	$ 5,607	$ 8,452	$ 45,434	$ 2,185	$ (484)	$ 31,706
Restricted	2,631	-	-	-	874	(443)	3,062
Unrestricted	18,501	(1,978)	(3,396)	(23,351)	(5,685)	(11,796)	(27,705)
Total net position	**$ (8,356)**	**$ 3,629**	**$ 5,056**	**$ 22,083**	**$ (2,626)**	**$ (12,723)**	**$ 7,063**
For the period ended September 30, 2020							
Fare revenue	$ 66	$ 205	$ 224	$ 1,509	$ -	$ -	$ 2,004
Vehicle toll revenue	-	-	-	-	1,190	-	1,190
Rents, freight and other revenue	40	25	24	271	15	(31)	344
Total operating revenue	**106**	**230**	**248**	**1,780**	**1,205**	**(31)**	**3,538**
Total labor expenses	845	687	826	5,200	171	-	7,729
Total non-labor expenses	390	246	256	1,298	143	(28)	2,305
Depreciation	57	184	317	1,538	130	-	2,226
Total operating expenses	**1,292**	**1,117**	**1,399**	**8,036**	**444**	**(28)**	**12,260**
Operating (deficit) surplus	**(1,186)**	**(887)**	**(1,151)**	**(6,256)**	**761**	**(3)**	**(8,722)**
Subsidies and grants	776	183	-	403	7	(244)	1,125
Tax revenue	4,284	-	-	996	286	(741)	4,825
Interagency subsidy	321	244	278	89	-	(932)	-
Interest expense	(1,031)	-	(1)	(2)	(246)	-	(1,280)
Other	328	313	508	2,832	-	243	4,224
Total non-operating revenues (expenses)	**4,678**	**740**	**785**	**4,318**	**47**	**(1,674)**	**8,894**
Gain (Loss) before appropriations	3,492	(147)	(366)	(1,938)	808	(1,677)	172
Appropriations, grants and other receipts externally restricted for capital projects	504	316	1,005	47	(318)	886	2,440
Change in net position	3,996	169	639	(1,891)	490	(791)	2,612
Net position, beginning of period	(12,352)	3,460	4,417	23,974	(3,116)	(11,932)	4,451
Net position, end of period	**$ (8,356)**	**$ 3,629**	**$ 5,056**	**$ 22,083**	**$ (2,626)**	**$ (12,723)**	**$ 7,063**
For the period ended September 30, 2020							
Net cash (used by) / provided by operating activities	$ (469)	$ (695)	$ (852)	$ (4,137)	$ 940	$ 31	$ (5,182)
Net cash provided by / (used by) non-capital financing activities	6,767	787	978	5,257	(353)	(5,189)	8,247
Net cash (used by) / provided by capital and related financing activities	(872)	(46)	(29)	(822)	135	2,036	402
Net cash (used by) / provided by investing activities	(5,374)	(50)	(100)	(308)	(500)	3,122	(3,210)
Cash at beginning of period	312	37	7	49	149	-	554
Cash at end of period	**$ 364**	**$ 33**	**$ 4**	**$ 39**	**$ 371**	**$ -**	**$ 811**

December 31, 2019	MTA	Metro-North Railroad	Long Island Railroad	New York City Transit Authority	Triborough Bridge and Tunnel Authority	Eliminations	Consolidated Total
Current assets	$ 6,051	$ 225	$ 228	$ 651	$ 702	$ (53)	$ 7,804
Capital assets	12,160	5,477	7,881	45,323	6,661	-	77,502
Other Assets	12,948	4	-	1	4	(11,904)	1,053
Intercompany receivables	724	90	167	1,372	739	(3,092)	-
Deferred outflows of resources	1,643	426	559	2,323	527	(178)	5,300
Total assets and deferred outflows of resources	**$ 33,526**	**$ 6,222**	**$ 8,835**	**$ 49,670**	**$ 8,633**	**$ (15,227)**	**$ 91,659**
Current liabilities	$ 4,210	$ 306	$ 258	$ 1,974	$ 823	$ (77)	$ 7,494
Non-current liabilities	39,106	2,171	3,771	21,867	10,318	(148)	77,085
Intercompany payables	2,306	140	125	-	499	(3,070)	-
Deferred inflows of resources	256	145	264	1,855	109	-	2,629
Total liabilities and deferred inflows of resources	**$ 45,878**	**$ 2,762**	**$ 4,418**	**$ 25,696**	**$ 11,749**	**$ (3,295)**	**$ 87,208**
Net investment in capital assets	$ (29,362)	$ 5,449	$ 7,853	$ 45,064	$ 2,097	$ 46	$ 31,147
Restricted	1,668	-	-	-	1,169	(857)	1,980
Unrestricted	15,342	(1,989)	(3,436)	(21,090)	(6,382)	(11,121)	(28,676)
Total net position	**$ (12,352)**	**$ 3,460**	**$ 4,417**	**$ 23,974**	**$ (3,116)**	**$ (11,932)**	**$ 4,451**
For the period ended September 30, 2019							
Fare revenue	$ 174	$ 561	$ 574	$ 3,423	$ -	$ -	$ 4,732
Vehicle toll revenue	-	-	-	-	1,548	-	1,548
Rents, freight and other revenue	57	42	30	352	17	(32)	466
Total operating revenue	**231**	**603**	**604**	**3,775**	**1,565**	**(32)**	**6,746**
Total labor expenses	821	696	836	4,979	189	-	7,521
Total non-labor expenses	332	299	287	1,553	181	(39)	2,613
Depreciation	68	173	300	1,470	124	-	2,135
Total operating expenses	**1,221**	**1,168**	**1,423**	**8,002**	**494**	**(39)**	**12,269**
Operating (deficit) surplus	**(990)**	**(565)**	**(819)**	**(4,227)**	**1,071**	**7**	**(5,523)**
Subsidies and grants	980	90	-	237	7	(79)	1,235
Tax revenue	4,373	-	-	1,704	-	(1,240)	4,837
Interagency subsidy	595	271	420	205	-	(1,491)	-
Interest expense	(866)	-	-	(2)	(213)	(8)	(1,089)
Other	(458)	-	-	5	6	681	234
Total non-operating revenues (expenses)	**4,624**	**361**	**420**	**2,149**	**(200)**	**(2,137)**	**5,217**
Gain (Loss) before appropriations	3,634	(204)	(399)	(2,078)	871	(2,130)	(306)
Appropriations, grants and other receipts externally restricted for capital projects	(1,499)	331	942	1,151	(585)	1,541	1,881
Change in net position	2,135	127	543	(927)	286	(589)	1,575
Net position, beginning of the period	(11,267)	3,194	3,545	22,925	(3,601)	(10,843)	3,953
Net position, end of period	**$ (9,132)**	**$ 3,321**	**$ 4,088**	**$ 21,998**	**$ (3,315)**	**$ (11,432)**	**$ 5,528**
For the period ended September 30, 2019							
Net cash (used in) / provided by operating activities	$ (893)	$ (308)	$ (484)	$ (2,585)	$ 1,226	$ (5)	$ (3,049)
Net cash provided by / (used in) non-capital financing activities	4,569	402	606	3,074	(593)	(3,254)	4,804
Net cash (used in) / provided by capital and related financing activities	(1,665)	(34)	(21)	(803)	(349)	2,304	(568)
Net cash provided by / (used in) investing activities	(1,979)	(50)	(100)	313	(285)	955	(1,146)
Cash at beginning of period	430	26	9	66	10	-	541
Cash at end of period	**$ 462**	**$ 36**	**$ 10**	**$ 65**	**$ 9**	**$ -**	**$ 582**

17. SUBSEQUENT EVENTS

On October 1, 2020, MTA effectuated a mandatory tender and remarketed $99 MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2018D, which will bear interest in a Fixed Rate Mode. Full details can be found in the Remarketing circular.

On October 5, 2020, KBRA downgraded MTA's Transportation Revenue Bonds from AA+ to AA, removed the Watch Downgrade and assigned a Negative Outlook, while affirming K1+ on MTA's Transportation Revenue BANs. KBRA's lower rating reflects the expectation that the sharp decline in ridership due to COVID-19 will continue well into 2021.

On October 21, 2020, S&P Global Ratings and Moody's Investors Service assigned ratings of BBB+ and A3, respectively, to MTA Transportation Revenue Refunding Green Bonds, Series 2020E, due November 15, 2045. Both ratings agencies view the outlook as negative.

On October 23, 2020, Fitch Ratings downgraded MTA's Transportation Revenue Bonds from A+ to A-, and downgraded the MTA Transportation Revenue BANs from F1 to F2, while keeping the MTA Transportation Revenue Bonds on a Negative Outlook.

On October 26, 2020, Fitch downgraded Enhanced MTA Transportation Revenue Bond Subseries 2005E-1, 2005E-3, 2015E-4, 2005D-2, and 2012G-1 to A- and Enhanced MTA Transportation Revenue Bond Subseries 2015E-1, 2002G-1g, 2012G-2, 2005E-2, 2012A-2, and 2015E-3 to AA- as a result of its downgrade of MTA Transportation Revenue Bonds on 10/23/20.

On October 27, 2020, MTA executed a 2,825,162 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $1.3120 (whole dollars) per gallon. The hedge covers the period from October 2021 through September 2022.

On November 13, 2020, MTA issued $420 MTA Transportation Revenue Refunding Green Bonds, Series 2020E, due November 15, 2045 (the "Series 2020E Bonds"). The Series 2020E Bonds were issued to (i) refund certain outstanding MTA Transportation Revenue Bonds and (ii) pay certain financing, legal, and miscellaneous expenses.

On November 30, 2020, MTA executed a 2,841,038 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $1.4615 (whole dollars) per gallon. The hedge covers the period from November 2021 through October 2022.

On December 17, 2020, MTA completed a direct placement of $2.9 billion of Payroll Mobility Tax Bond Anticipation Notes (BANs), Series 2020A (the "Series 2020A Notes") to the Federal Reserve Bank of New York's Municipal Liquidity Facility LLC (MLFLLC). The Series 2020A Notes were purchased directly, pursuant to a Note Purchase Agreement, dated December 9, 2020, between MTA, as issuer, and the MLFLLC, as purchaser. The Series 2020A Notes will mature on December 15, 2023. No principal or interest payments will be due on the Series 2020A Notes until maturity or an earlier redemption.

On December 29, 2020, MTA executed a 2,826,765 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $1.5355 (whole dollars) per gallon. The hedge covers the period from December 2021 through November 2022.

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REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the MTA's Net Pension Liability and Related Ratios for Single Employer Pension Plans

($ in thousands)

	Additional Plan					MaBSTOA Plan				
Plan Measurement Date (December 31):	2018	2017	2016	2015	2014	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	$ 1,057	$ 1,874	$ 2,752	$ 3,441	$ 3,813	$ 86,979	$ 84,394	$ 82,075	$ 77,045	$ 72,091
Interest	97,611	101,477	104,093	106,987	110,036	256,084	246,284	236,722	232,405	223,887
Effect of economic / demographic (gains) or losses	213	1,890	15,801	6,735	-	5,412	11,826	13,784	(68,997)	-
Effect of assumption changes or inputs	-	-				-	6,347			
Differences between expected and actual experience	-	-	-	-	-	-	-	-	-	(1,596)
Benefit payments and withdrawals	(159,565)	(159,717)	(158,593)	(157,071)	(156,974)	(213,827)	(209,122)	(187,823)	(179,928)	(175,447)
Net change in total pension liability	(60,684)	(54,476)	(35,947)	(39,908)	(43,125)	134,648	139,729	144,758	60,525	118,935
Total pension liability—beginning	1,471,828	1,526,304	1,562,251	1,602,159	1,645,284	3,676,476	3,536,747	3,391,989	3,331,464	3,212,529
Total pension liability—ending (a)	1,411,144	1,471,828	1,526,304	1,562,251	1,602,159	3,811,124	3,676,476	3,536,747	3,391,989	3,331,464
Plan fiduciary net position:										
Employer contributions	59,500	76,523	81,100	100,000	407,513	205,433	202,684	220,697	214,881	226,374
Nonemployer contributions	-	145,000	70,000	-	-	-	-	-	-	-
Member contributions	333	760	884	1,108	1,304	21,955	19,713	18,472	16,321	15,460
Net investment income	(31,098)	112,614	58,239	527	21,231	(87,952)	350,186	212,260	(24,163)	105,084
Benefit payments and withdrawals	(159,565)	(159,717)	(158,593)	(157,071)	(156,974)	(213,827)	(209,122)	(187,823)	(179,928)	(175,447)
Administrative expenses	(1,180)	(1,070)	(611)	(1,218)	(975)	(196)	(208)	(186)	(88)	(74)
Net change in plan fiduciary net position	(132,010)	174,110	51,019	(56,654)	272,099	(74,587)	363,253	263,420	27,023	171,397
Plan fiduciary net position—beginning	951,327	777,217	726,198	782,852	510,753	2,918,989	2,555,736	2,292,316	2,265,293	2,093,896
Plan fiduciary net position—ending (b)	819,317	951,327	777,217	726,198	782,852	2,844,402	2,918,989	2,555,736	2,292,316	2,265,293
Employer's net pension liability—ending (a)-(b)	$ 591,827	$ 520,501	$ 749,087	$ 836,053	$ 819,307	$ 966,722	$ 757,487	$ 981,011	$ 1,099,673	$ 1,066,171
Plan fiduciary net position as a percentage of the total pension liability	58.06%	64.64%	50.92%	46.48%	48.86%	74.63%	79.40%	72.26%	67.58%	68.00%
Covered payroll	$ 13,076	$ 20,500	$ 29,312	$ 39,697	$ 43,267	$ 776,200	$ 749,666	$ 716,527	$ 686,674	$ 653,287
Employer's net pension liability as a percentage of covered payroll	4526.06%	2539.03%	2555.56%	2106.09%	1893.61%	124.55%	101.04%	136.91%	160.14%	163.20%

Note: Information was not readily available for periods prior to 2014. This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the MTA's Net Pension Liability and Related Ratios for Single Employer Pension Plans (continued)

($ in thousands)

	MNR Cash Balance Plan					MTA Defined Benefit Plan				
Plan Measurement Date (December 31):	2018	2017	2016	2015	2014	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	$ -	$ -	$ -	$ -	$ -	$ 162,273	$ 148,051	$ 138,215	$ 124,354	$ 121,079
Interest	20	21	24	29	32	358,118	335,679	308,009	288,820	274,411
Effect of economic / demographic (gains) or losses	(11)	12	(15)	(10)	-	75,744	(27,059)	86,809	121,556	2,322
Effect of assumption changes or inputs	-	-	-	18	-	-	10,731	-	(76,180)	-
Effect of plan changes	-	-	-	-	-	61,890	76,511	73,521	6,230	-
Benefit payments and withdrawals	(58)	(71)	(77)	(113)	(88)	(242,349)	(232,976)	(209,623)	(199,572)	(191,057)
Net change in total pension liability	(49)	(38)	(68)	(76)	(56)	415,676	310,937	396,931	265,208	206,755
Total pension liability—beginning	528	566	634	710	766	5,072,814	4,761,877	4,364,946	4,099,738	3,892,983
Total pension liability—ending (a)	479	528	566	634	710	5,488,490	5,072,814	4,761,877	4,364,946	4,099,738
Plan fiduciary net position:										
Employer contributions	5	-	23	18	-	338,967	321,861	280,768	221,694	331,259
Member contributions	-	-	-	-	-	29,902	31,027	29,392	34,519	26,006
Net investment income	1	20	16	6	41	(150,422)	516,153	247,708	(45,122)	102,245
Benefit payments and withdrawals	(58)	(71)	(77)	(113)	(88)	(242,349)	(232,976)	(209,623)	(199,572)	(191,057)
Administrative expenses	-	-	-	3	(3)	(3,152)	(4,502)	(3,051)	(1,962)	(9,600)
Net change in plan fiduciary net position	(52)	(51)	(38)	(86)	(50)	(27,054)	631,563	345,194	9,557	258,853
Plan fiduciary net position—beginning	523	574	612	698	748	4,051,534	3,419,971	3,074,777	3,065,220	2,806,367
Plan fiduciary net position—ending (b)	471	523	574	612	698	4,024,480	4,051,534	3,419,971	3,074,777	3,065,220
Employer's net pension liability—ending (a)-(b)	$ 8	$ 5	$ (8)	$ 22	$ 12	$ 1,464,010	$ 1,021,280	$ 1,341,906	$ 1,290,169	$ 1,034,518
Plan fiduciary net position as a percentage of the total pension liability	98.33%	99.05%	101.41%	96.53%	98.36%	73.33%	79.87%	71.82%	70.44%	74.77%
Covered payroll	$ 268	$ 471	$ 846	$ 1,474	$ 2,274	$ 2,030,695	$ 1,857,026	$ 1,784,369	$ 1,773,274	$ 1,679,558
Employer's net pension liability as a percentage of covered payroll	2.99%	1.06%	-0.95%	1.49%	0.53%	72.09%	55.00%	75.20%	72.76%	61.59%

Note: Information was not readily available for periods prior to 2014. This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the MTA's Proportionate Share of the Net Pension Liabilities of Cost-Sharing Multiple-Employer Pension Plans

($ in thousands)

	NYCERS Plan				
Plan Measurement Date:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
MTA's proportion of the net pension liability	24.493%	23.682%	24.096%	23.493%	23.585%
MTA's proportionate share of the net pension liability	$ 4,536,510	$ 4,176,941	$ 5,003,811	$ 5,708,052	$ 4,773,787
MTA's actual covered payroll	$ 3,385,743	$ 3,216,837	$ 3,154,673	$ 3,064,007	$ 2,989,480
MTA's proportionate share of the net pension liability as a percentage of the MTA's covered payroll	113.989%	129.846%	158.616%	186.294%	159.686%
Plan fiduciary net position as a percentage of the total pension liability	78.836%	78.826%	74.805%	69.568%	73.125%

	NYSLERS Plan				
Plan Measurement Date:	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
MTA's proportion of the net pension liability	0.345%	0.327%	0.311%	0.303%	0.289%
MTA's proportionate share of the net pension liability	$ 24,472	$ 10,553	$ 29,239	$ 48,557	$ 9,768
MTA's actual covered payroll	$ 109,252	$ 105,269	$ 96,583	$ 87,670	$ 87,315
MTA's proportionate share of the net pension liability as a percentage of the MTA's covered payroll	22.400%	10.025%	30.273%	55.386%	11.187%
Plan fiduciary net position as a percentage of the total pension liability	96.267%	98.240%	94.703%	90.685%	97.947%

Note: Information was not readily available for periods prior to 2015. This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The data provided in this schedule is based on the measurement date used by NYCERS and NYSLERS for the net pension liability.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the MTA's Contributions for All Pension Plans for the Year Ended December 31,

($ in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Additional Plan*										
Actuarially Determined Contribution	$ 62,774	$ 59,196	$ 76,523	$ 83,183	$ 82,382	$ 112,513	$ -	$ -	$ -	$ -
Actual Employer Contribution	62,774	59,500	221,523	151,100	100,000	407,513	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ (304)	$ (145,000)	$ (67,917)	$ (17,618)	$(295,000)	$ -	$ -	$ -	$ -
Covered Payroll	$ 7,236	$ 13,076	$ 20,500	$ 29,312	$ 39,697	$ 43,267	$ -	$ -	$ -	$ -
Contributions as a % of Covered Payroll	480.09%	466.49%	1080.62%	515.49%	251.91%	941.87%	N/A	N/A	N/A	N/A
MaBSTOA Plan										
Actuarially Determined Contribution	$ 209,314	$ 202,509	$ 202,924	$ 220,697	$ 214,881	$ 226,374	$ 234,474	$ 228,918	$ 186,454	$ 200,633
Actual Employer Contribution	206,390	205,434	202,684	220,697	214,881	226,374	234,474	228,918	186,454	200,633
Contribution Deficiency (Excess)	$ 2,924	$ (2,925)	$ 240	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 786,600	$ 776,200	$ 749,666	$ 716,527	$ 686,674	$ 653,287	$ 582,081	$ 575,989	$ 579,696	$ 591,073
Contributions as a % of Covered Payroll	26.59%	26.47%	27.04%	30.80%	31.29%	34.65%	40.28%	39.74%	32.16%	33.94%
Metro-North Cash Balance Plan*										
Actuarially Determined Contribution	$ 8	$ 5	$ -	$ 23	$ -	$ 5	$ -	$ -	$ -	$ -
Actual Employer Contribution	-	5	-	23	14	-	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ (14)	$ 5	$ -	$ -	$ -	$ -
Covered Payroll	$ 278	$ 268	$ 471	$ 846	$ 1,474	$ 2,274	$ -	$ -	$ -	$ -
Contributions as a % of Covered Payroll	2.99%	2.03%	0.00%	2.68%	0.96%	0.00%	N/A	N/A	N/A	N/A
MTA Defined Benefit Plan*										
Actuarially Determined Contribution	$ 349,928	$ 331,566	$ 316,916	$ 290,415	$ 273,700	$ 271,523	$ -	$ -	$ -	$ -
Actual Employer Contribution	343,862	339,800	321,861	280,767	221,694	331,259	-	-	-	-
Contribution Deficiency (Excess)	$ 6,066	$ (8,234)	$ (4,945)	$ 9,648	$ 52,006	$ (59,736)	$ -	$ -	$ -	$ -
Covered Payroll	$ 2,052,657	$ 2,030,695	$ 1,857,026	$ 1,784,369	$ 1,773,274	$ 1,679,558	$ -	$ -	$ -	$ -
Contributions as a % of Covered Payroll	16.19%	16.83%	17.33%	15.73%	12.50%	19.72%	N/A	N/A	N/A	N/A

* For the MTA Defined Benefit Plan, Additional Plan and Metro-North Cash Balance Plan, information was not readily available for periods prior to 2014. This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the MTA's Contributions for All Pension Plans for the Year Ended December 31,

($ in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
NYCERS										
Actuarially Determined Contribution	$ 952,616	$ 807,097	$ 800,863	$ 797,845	$ 736,212	$ 741,223	$ 736,361	$ 731,983	$ 657,771	$ 574,555
Actual Employer Contribution	952,616	807,097	800,863	797,845	736,212	741,223	736,361	731,983	657,771	574,555
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 3,948,283	$ 3,974,494	$ 3,768,885	$ 3,523,993	$ 3,494,907	$ 3,617,087	$ 2,943,195	$ 2,925,834	$ 2,900,630	$ 2,886,789
Contributions as a % of Covered Payroll	23.97%	20.31%	21.25%	22.64%	21.07%	20.49%	25.02%	25.02%	22.68%	19.90%
NYSLERS **										
Actuarially Determined Contribution	$ 14,851	$ 14,501	$ 13,969	$ 12,980	$ 15,792	$ 13,816	$ -	$ -	$ -	$ -
Actual Employer Contribution	14,851	14,501	13,969	12,980	15,792	13,816	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 106,913	$ 109,210	$ 103,787	$ 94,801	$ 86,322	$ 84,041	$ -	$ -	$ -	$ -
Contributions as a % of Covered Payroll	13.60%	13.28%	13.46%	13.69%	18.29%	16.44%	N/A	N/A	N/A	N/A

** For the NYSLERS plan, information was not readily available for periods prior to 2014. This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	Additional Plan				
Valuation Dates:	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Measurement Date:	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	Period specified in current valuation report (closed 17 year period beginning January 1, 2016) with level dollar payments.	Period specified in current valuation report (closed 17 year period beginning January 1, 2016) with level dollar payments.	Period specified in current valuation report (closed 17 year period beginning January 1, 2016) with level dollar payments.	Period specified in current valuation report (closed 18 year period beginning January 1, 2015) with level dollar payments.	Period specified in current valuation report (closed 19 year period beginning January 1, 2014) with level dollar payments.
Asset Valuation Method:	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.
Salary increases:	3.00%	3.00%	3.00%	3.00%	3.00%
Actuarial assumptions:					
Discount Rate:	7.00%	7.00%	7.00%	7.00%	7.00%
Investment rate of return :	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.
Mortality:	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. As generational tables, they reflect mortality improvements both before and after the measurement date. Mortality assumption is based on a 2012 experience study for all MTA plans.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	N/A	N/A	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.50%; 3.50%	2.50%; 3.50%	2.50%; 3.50%	2.50%; 3.50%	2.50%; 3.50%
Cost-of-Living Adjustments:	N/A	N/A	N/A	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	MaBSTOA Plan				
Valuation Dates:	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Measurement Date:	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Actuarial cost method:	Frozen Initial Liability (FIL)	Frozen Initial Liability (FIL)	Frozen Initial Liability (FIL)	Frozen Initial Liability (FIL)	Frozen Initial Liability (FIL)
Amortization method:	For FIL bases, period specified in current valuation 30-year level dollar. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population.	For FIL bases, period specified in current valuation 30-year level dollar. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population.	For FIL bases, period specified in current valuation 30-year level dollar. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population.	For FIL bases, period specified in current valuation 30-year level dollar. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population.	For FIL bases, period specified in current valuation 30-year level dollar. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population.
Asset Valuation Method:	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized Market value restart as of 1/1/96, then gains/losses over a 5-year period. Gains/losses are five-year moving average of market values based on market value of assets.
Salary increases:	Varies by years of employment and employment type.	Varies by years of employment and employment type.	Varies by years of employment and employment type.	Varies by years of employment and employment type.	In general, merit and promotion increases plus assumed general wage increases of 3.5% to 15.0% for operating employees and 4.0% to 7.0% for nonoperating employees per year, depending on years of service.
Actuarial assumptions:					
Discount Rate:	7.00%	7.00%	7.00%	7.00%	7.00%
Investment rate of return :	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.
Mortality:	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA. As generational tables, they reflect mortality improvements both before and after the measurement date. Mortality assumption is based on a 2012 experience study for all MTA plans.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	RP-2014 Disabled Annuitant mortality table for males and females.	RP-2014 Disabled Annuitant mortality table for males and females.	75% of the rates from the RP-2000 Healthy Annuitant mortality table for males and females.	75% of the rates from the RP-2000 Healthy Annuitant mortality table for males and females.	75% of the rates from the RP-2000 Healthy Annuitant mortality table for males and females.
Inflation/Railroad Retirement Wage Base:	2.50%	2.50%	2.50%	2.50%	2.50%
Cost-of-Living Adjustments:	1.375% per annum	1.375% per annum	1.375% per annum	1.375% per annum	1.375% per annum

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans **(continued)**

	MNR Cash Balance Plan				
Valuation Dates:	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2014
Measurement Date:	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Actuarial cost method:	Unit Credit Cost	Unit Credit Cost	Unit Credit Cost	Unit Credit Cost	Unit Credit Cost
Amortization method:	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	Period specified in current valuation report (closed 10 year period beginning January 1, 2008 - 4 year period for the January 1, 2014 valuation).
Asset Valuation Method:	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.	Effective January 1, 2015, the Actuarially Determined Contribution (ADC) will reflect one-year amortization of the unfunded accrued liability in accordance with the funding policy adopted by the MTA.
Salary increases:	N/A	N/A	N/A	N/A	There were no projected salary increase assumptions used in the January 1, 2014 valuation as the participants of the Plan were covered under the Management Plan effective January 1, 1989. For participants of the Plan eligible for additional benefits, these benefits were not valued as the potential liability is de minimus.
Actuarial assumptions:					
Discount Rate:	4.00%	4.00%	4.00%	4.00%	4.50%
Investment rate of return :	4.00%, net of investment expenses.	4.00%, net of investment expenses.	4.00%, net of investment expenses.	4.00%, net of investment expenses.	4.50%, net of investment expenses.
Mortality:	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. Mortality assumption is based on a 2017 experience study for all MTA plans.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. Mortality assumption is based on a 2017 experience study for all MTA plans.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. Mortality assumption is based on a 2012 experience study for all MTA plans.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. Mortality assumption is based on a 2012 experience study for all MTA plans.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. As generational tables, they reflect mortality improvements both before and after the measurement date. Mortality assumption is based on a 2012 experience study for all MTA plans.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	N/A	N/A	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.50%	2.50%	2.30%	2.30%	2.50%
Cost-of-Living Adjustments:	N/A	N/A	N/A	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans (continued)

	MTA Defined Benefit Plan				
Valuation Dates:	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Measurement Date:	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	For Frozen Initial Liability ("FIL") bases, period specified in current valuation report. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group.	For Frozen Initial Liability ("FIL") bases, period specified in current valuation report. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group.	For Frozen Initial Liability ("FIL") bases, period specified in current valuation report. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group.	For Frozen Initial Liability ("FIL") bases, period specified in current valuation report. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group.	For Frozen Initial Liability ("FIL") bases, period specified in current valuation report. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group.
Asset Valuation Method:	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on market value of assets.
Salary increases:	Varies by years of employment, and employee group. 3.5% for MTA Bus hourly employees.	Varies by years of employment, and employee group. 3.5% for MTA Bus hourly employees.	Varies by years of employment, and employee group. 3.5% for MTA Bus hourly employees.	Varies by years of employment, and employee group. 3.5% for MTA Bus hourly employees.	Varies by years of employment, and employee group.
Actuarial assumptions:					
Discount Rate:	7.00%	7.00%	7.00%	7.00%	7.00%
Investment rate of return :	7.00%	7.00%	7.00%	7.00%	7.00%
Mortality:	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA. As a general table, it reflects mortality improvements both before and after the measurement date.	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA. As a general table, it reflects mortality improvements both before and after the measurement date.	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA. As a general table, it reflects mortality improvements both before and after the measurement date.	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA. As a general table, it reflects mortality improvements both before and after the measurement date.	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA, as recommended by the Society of Actuaries Retirement Plans Experience Committee. Mortality assumption is based on a 2012 experience study for all MTA plans.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	RP-2014 Disabled Annuitant mortality table for males and females	RP-2014 Disabled Annuitant mortality table for males and females	75% of the rates from the RP-2000 Healthy Annuitant mortality table for males and females. At age 85 and later for males and age 77 and later for females, the disability rates are set to the male and females healthy rates, respectively.	75% of the rates from the RP-2000 Healthy Annuitant mortality table for males and females. At age 85 and later for males and age 77 and later for females, the disability rates are set to the male and females healthy rates, respectively.	75% of the rates from the RP-2000 Healthy Annuitant mortality table for males and females. At age 85 and later for males and age 77 and later for females, the disability rates are set to the male and females healthy rates, respectively.
Inflation/Railroad Retirement Wage Base:	2.50%; 3.50%	2.50%; 3.50%	2.50%; 3.50%	2.50%; 3.50%	2.50%; 3.00%
Cost-of-Living Adjustments:	55% of inflation assumption or 1.375%, if applicable.	55% of inflation assumption or 1.375%, if applicable.	55% of inflation assumption or 1.375%, if applicable.	55% of inflation assumption or 1.375%, if applicable.	55% of inflation assumption or 1.375%, if applicable.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans (continued)

	NYCERS Plan				
Valuation Dates:	June 30, 2018	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement Date:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.
Asset Valuation Method:	Modified six-year moving average of market values with a Market Value Restart as of June 30, 2011.	Modified six-year moving average of market values with a Market Value Restart as of June 30, 2011.	Modified six-year moving average of market values with a Market Value Restart as of June 30, 2011.	Modified six-year moving average of market values with a Market Value Restart as of June 30, 2011.	Modified six-year moving average of market values with a Market Value Restart as of June 30, 2011.
Salary increases:	3% per annum.	3% per annum.	3% per annum.	3% per annum.	3% per annum.
Actuarial assumptions:					
Discount Rate:	7.00%	7.00%	7.00%	7.00%	7.00%
Investment rate of return :	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.
Mortality:	Mortality tables for service and disability pensioners were developed from an experience study of NYCERS's pensioners. The mortality tables for beneficiaries were developed from an experience review of NYCERS' beneficiaries. The most recently completed study was published by Gabriel Roeder & Company ("GRS"), dated October 2015, and analyzed experience for Fiscal Years 2010 through 2013.	Mortality tables for service and disability pensioners were developed from an experience study of NYCERS's pensioners. The mortality tables for beneficiaries were developed from an experience review of NYCERS' beneficiaries. The most recently completed study was published by Gabriel Roeder & Company ("GRS"), dated October 2015, and analyzed experience for Fiscal Years 2010 through 2013.	Mortality tables for service and disability pensioners were developed from an experience study of NYCERS's pensioners. The mortality tables for beneficiaries were developed from an experience review of NYCERS' beneficiaries. The most recently completed study was published by Gabriel Roeder & Company ("GRS"), dated October 2015, and analyzed experience for Fiscal Years 2010 through 2013.	Mortality tables for service and disability pensioners were developed from an experience study of NYCERS's pensioners. The mortality tables for beneficiaries were developed from an experience review of NYCERS' beneficiaries. The most recently completed study was published by Gabriel Roeder & Company ("GRS"), dated October 2015, and analyzed experience for Fiscal Years 2010 through 2013.	Mortality tables for service and disability pensioners were developed from an experience study of NYCERS's pensioners. The mortality tables for beneficiaries were developed from an experience review of NYCERS' beneficiaries. The most recently completed study was published by Gabriel Roeder & Company ("GRS"), dated October 2015, and analyzed experience for Fiscal Years 2010 through 2013.
Pre-retirement:	N/A	N/A	N/A	N/A	N/A
Post-retirement Healthy Lives:	N/A	N/A	N/A	N/A	N/A
Post-retirement Disabled Lives:	N/A	N/A	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.50%	2.50%	2.50%	2.50%	2.50%
Cost-of-Living Adjustments:	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans (continued)

	NYSLERS Plan				
Valuation Dates:	April 1, 2018	April 1, 2017	April 1, 2016	April 1, 2015	April 1, 2014
Measurement Date:	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Actuarial cost method:	Aggregate Cost method	Aggregate Cost method	Aggregate Cost method	Aggregate Cost method	Aggregate Cost method
Amortization method:	Evenly over the remaining working lifetimes of the active membership.	Evenly over the remaining working lifetimes of the active membership.	Evenly over the remaining working lifetimes of the active membership.	Evenly over the remaining working lifetimes of the active membership.	Evenly over the remaining working lifetimes of the active membership.
Asset Valuation Method:	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.	5-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Salary increases:	3.80%	3.80%	3.80%	3.80%	4.90%
Actuarial assumptions:					
Discount Rate:	7.00%	7.00%	7.00%	7.00%	7.50%
Investment rate of return :	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.5%, net of investment expenses.
Mortality:	Annuitant mortality rates are based on NYSLERS's 2015 experience study of the period April 1, 2010 through March 31, 2015 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.	Annuitant mortality rates are based on NYSLERS's 2015 experience study of the period April 1, 2010 through March 31, 2015 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.	Annuitant mortality rates are based on NYSLERS's 2010 experience study of the period April 1, 2005 through March 31, 2010 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.	Annuitant mortality rates are based on NYSLERS's 2010 experience study of the period April 1, 2005 through March 31, 2010 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.	Annuitant mortality rates are based on NYSLERS's 2010 experience study of the period April 1, 2005 through March 31, 2010 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.
Pre-retirement:	N/A	N/A	N/A	N/A	N/A
Post-retirement Healthy Lives:	N/A	N/A	N/A	N/A	N/A
Post-retirement Disabled Lives:	N/A	N/A	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.50%	2.50%	2.50%	2.50%	2.70%
Cost-of-Living Adjustments:	1.3% per annum.	1.3% per annum.	1.3% per annum.	1.3% per annum.	1.4% per annum.

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REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of MTA's Contributions for All Pension Plans (concluded)

Significant methods and assumptions used in calculating the actuarially determined contributions of an employer's proportionate share in Cost Sharing, Multiple-Employer pension plans, the NYCERS plan and the NYSLERS plan, are presented as notes to the schedule.

Factors that significantly affect trends in the amounts reported are changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. Following is a summary of such factors:

Changes of Benefit Terms:

There were no significant legislative changes in benefit for the June 30, 2018 valuation for the NYCERS plan.

There were no significant legislative changes in benefit for the April 1, 2018 valuation for the NYSLERS plan.

Changes of Assumptions:

There were no significant changes in the economic and demographic used in the June 30, 2018 valuation for the NYCERS plan.

There were no significant changes in the economic and demographic assumptions used in the April 1, 2018 valuation for the NYSLERS plan.

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REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the MTA's Net OPEB Liability and Related Ratios and Notes to Schedule

($ in thousands)

Plan Measurement Date (December 31):	**2018**	**2017**
Total OPEB liability:		
Service cost	$ 1,002,930	$ 884,548
Interest on total OPEB liability	734,968	731,405
Effect of plan changes	1,580	27,785
Effect of economic/demographic (gains) or losses	(19,401)	13,605
Effect of assumption changes or inputs	(1,800,135)	911,465
Benefit payments	(691,122)	(650,994)
Net change in total OPEB liability	(771,180)	1,917,814
Total OPEB liability—beginning	20,705,068	18,787,254
Total OPEB liability—ending (a)	19,933,888	20,705,068
Plan fiduciary net position:		
Employer contributions	691,122	650,994
Net investment income	(18,916)	47,370
Benefit payments	(691,122)	(650,994)
Administrative expenses	(56)	-
Net change in plan fiduciary net position	(18,972)	47,370
Plan fiduciary net position—beginning	370,352	322,982
Plan fiduciary net position—ending (b)	351,380	370,352
Net OPEB liability—ending (a)-(b)	$ 19,582,508	$ 20,334,716
Plan fiduciary net position as a percentage of the total OPEB liability	1.76%	1.79%
Covered payroll	$ 6,903,700	$ 5,394,332
Net OPEB liability as a percentage of covered payroll	283.65%	376.96%

Notes to Schedule:

Changes of benefit terms: In the July 1, 2017 actuarial valuation, there were no changes to the benefit terms.

Changes of assumptions: In the July 1, 2017 actuarial valuation, there was a change in assumptions. The discount rate used to measure liabilities was updated to incorporate GASB 75 guidance and changed to reflect the current municipal bond rate.

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the MTA's Contributions to the OPEB Plan for the years ended December 31:

($ in thousands)	**2019**	**2018**	**2017**
Actuarially Determined Contribution	N/A	N/A	N/A
Actual Employer Contribution (1)	$ 737,297	$ 696,065	$ 650,994
Contribution Deficiency (Excess)	N/A	N/A	N/A
Covered Payroll	$ 6,901,690	$ 6,903,700	$ 5,394,200
Actual Contribution as a Percentage of Covered Payroll	10.68%	10.08%	12.07%

(1) Actual employer contribution includes the implicit rate of subsidy adjustment of $76,758 and $74,484 for the years ended December 31, 2019 and 2018, respectively.

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions to the OPEB Plan:

Valuation date	July 1, 2017	July 1, 2017
Measurement date	December 31, 2018	December 31, 2017
Discount rate	4.10%, net of expenses	3.44%, net of expenses
Inflation	2.50%	2.50%
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.50%	4.50%
Investment rate of return	6.50%	6.50%
Salary increases	3%. Varies by years of service and differs for members of the various pension plans.	3%. Varies by years of service and differs for members of the various pension plans.

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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SUPPLEMENTARY INFORMATION

Pension And Other Employee Benefit Trust Funds
Combining Statement of Fiduciary Net Position as of December 31, 2019

($ in thousands)	Pension Funds			Other Employee Benefit Trust Funds		
	Defined Benefit Pension Plan	LIRR Company Plan for Additional Pensions	MaBSTOA Plan	Other Post-employment Benefit Plan	401K Plan	Total
ASSETS:						
Cash	$ 6,892	$ 1,114	$ 6,494	$ -	$ -	$ 14,500
Receivables:						
Employee loans	-	-	40,091	-	168,314	208,405
Participant and union contributions	-	20	-	-	-	20
Investment securities sold	-	104	1,036	-	-	1,140
Accrued interest and dividends	2,949	477	1,419	20	-	4,865
Other receivables	2,149	33	-	-	-	2,182
Total receivables	5,098	634	42,546	20	168,314	216,612
Investments at fair value:						
Investments measured at readily determined fair value	999,705	161,583	531,620	-	-	1,692,908
Investments measured at net asset value	3,776,051	676,685	2,730,290	414,929	2,887,279	10,485,234
Investments at contract value	-	-	-	-	1,435,218	1,435,218
Total investments	4,775,756	838,268	3,261,910	414,929	4,322,497	13,613,360
Total assets	$ 4,787,746	$ 840,016	$ 3,310,950	$ 414,949	$ 4,490,811	$ 13,844,472
LIABILITIES:						
Accounts payable and accrued liabilities	4,067	(342)	1,629	-	837	6,191
Payable for investment securities purchased	3,594	581	3,425	-	-	7,600
Accrued benefits payable	-	-	19	122	-	141
Accrued postretirement death benefits (PRDB) payable	-	-	3,360	-	-	3,360
Accrued 55/25 Additional Members Contribution (AMC) payable	-	-	5,787	-	-	5,787
Other liabilities	516	69	-	-	-	585
Total liabilities	8,177	308	14,220	122	837	23,664
NET POSITION:						
Restricted for pensions	4,779,569	839,708	3,296,730	-	-	8,916,007
Restricted for postemployment benefits other than pensions	-	-	-	414,827	-	414,827
Restricted for other employee benefits	-	-	-	-	4,489,974	4,489,974
Total net position	4,779,569	839,708	3,296,730	414,827	4,489,974	13,820,808
Total liabilities and net position	$ 4,787,746	$ 840,016	$ 3,310,950	$ 414,949	$ 4,490,811	$ 13,844,472

See Independent Auditors' Review Report and notes to the consolidated interim financial statements.

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

Pension And Other Employee Benefit Trust Funds
Combining Statement of Fiduciary Net Position as of December 31, 2018

($ in thousands)	Pension Funds			Other Employee Benefit Trust Funds		
	Defined Benefit Pension Plan	LIRR Company Plan for Additional Pensions	MaBSTOA Plan	Other Post-employment Benefit Plan	Deferred Compensation 401K Plan	Total
ASSETS:						
Cash	$ 13,224	$ 2,484	$ 5,977	$ -	$ -	$ 21,685
Receivables:						
Employee loans	-	-	36,804	-	159,462	196,266
Investment securities sold	-	58	672	-	-	730
Accrued interest and dividends	2,745	516	1,331	14	-	4,606
Other receivables	1,845	92	-	-	-	1,937
Total receivables	4,590	666	38,807	14	159,462	203,539
Investments at fair value:						
Investments measured at readily determined fair value	787,191	147,855	433,543	-	-	1,368,589
Investments measured at net asset value	3,228,219	669,902	2,379,443	351,538	2,286,394	8,915,496
Investments at contract value	-	-	-	-	1,313,496	1,313,496
Total investments	4,015,410	817,757	2,812,986	351,538	3,599,890	11,597,581
Total assets	$ 4,033,224	$ 820,907	$ 2,857,770	$ 351,552	$ 3,759,352	$ 11,822,805
LIABILITIES:						
Accounts payable and accrued liabilities	5,752	1,035	1,380	-	721	8,888
Payable for investment securities purchased	2,699	507	2,148	-	-	5,354
Accrued benefits payable	-	-	937	172	-	1,109
Accrued postretirement death benefits (PRDB) payable	-	-	2,921	-	-	2,921
Accrued 55/25 Additional Members Contribution (AMC) payable	-	-	5,982	-	-	5,982
Other liabilities	293	48	-	-	-	341
Total liabilities	8,744	1,590	13,368	172	721	24,595
NET POSITION:						
Restricted for pensions	4,024,480	819,317	2,844,402	-	-	7,688,199
Restricted for postemployment benefits other than pensions	-	-	-	351,380	-	351,380
Restricted for other employee benefits	-	-	-	-	3,758,631	3,758,631
Total net position	4,024,480	819,317	2,844,402	351,380	3,758,631	11,798,210
Total liabilities and net position	$ 4,033,224	$ 820,907	$ 2,857,770	$ 351,552	$ 3,759,352	$ 11,822,805

See Independent Auditors' Review Report and notes to the consolidated interim financial statements.

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

Pension And Other Employee Benefit Trust Funds
Combining Statement of Changes in Fiduciary Net Position for the year ended December 31, 2019

($ in thousands)	Pension Funds			Other Employee Benefit Trust Funds		
	Defined Benefit Pension Plan	LIRR Additional Plan	MaBSTOA Plan	Other Post-employment Benefit Plan	Deferred Compensation 401K Plan	Total
ADDITIONS:						
Contributions:						
Employer contributions	$ 344,714	$ 62,774	$ 206,390	$ 660,539	$ 4,402	1,278,819
Non-Employer contributions	-	-	-	-	-	-
Implicit rate subsidy contribution	-	-	-	70,138	-	70,138
Participant rollovers	-	-	-	-	23,941	23,941
Member contributions	31,503	249	23,551	-	298,185	353,488
Total contributions	376,217	63,023	229,941	730,677	326,528	1,726,386
Investment income:						
Net (depreciation) / appreciation in fair value of investments	608,991	108,457	429,459	60,104	609,308	1,816,319
Dividend income	48,512	8,309	31,364	5,077	-	93,262
Interest income	12,628	2,216	10,534	249	-	25,627
Less: Investment expenses	22,867	3,642	27,530	1,783	-	55,822
Investment income, net	647,264	115,340	443,827	63,647	609,308	1,879,386
Other additions: Loan repayments - interest	0	0	0	0	8,979	8,979
Total additions	1,023,481	178,363	673,768	794,324	944,815	3,614,751
DEDUCTIONS:						
Benefit payments and withdrawals	264,878	157,254	221,221	660,539	-	1,303,892
Implicit rate subsidy payments	-	-	-	70,138	-	70,138
Transfer to other plans	106	-	-	-	98,450	98,556
Distribution to participants	-	-	-	-	107,396	107,396
Administrative expenses	3,408	718	219	200	837	5,382
Other deductions	-	-	-	-	6,789	6,789
Total deductions	268,392	157,972	221,440	730,877	213,472	1,592,153
Net increase (decrease) in fiduciary net position	755,089	20,391	452,328	63,447	731,343	2,022,598
NET POSITION:						
Restricted for Benefits:						
Beginning of year	4,024,480	819,317	2,844,402	351,380	3,758,631	11,798,210
End of year	$ 4,779,569	$ 839,708	$ 3,296,730	$ 414,827	$ 4,489,974	$ 13,820,808

See Independent Auditors' Review Report and notes to the consolidated interim financial statements.

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SUPPLEMENTARY INFORMATION

Pension And Other Employee Benefit Trust Funds
Combining Statement of Changes in Fiduciary Net Position for the year ended December 31, 2018

($ in thousands)	Pension Funds			Other Employee Benefit Trust Funds		
	Defined Benefit Pension Plan	LIRR Additional Plan	MaBSTOA Plan	Other Post-employment Benefit Plan	Deferred Compensation 401K Plan	Total
ADDITIONS:						
Contributions:						
Employer contributions	$ 338,967	$ 59,500	$ 205,433	$ 616,638	$ 4,392	$ 1,224,930
Non-Employer contributions	-	-	-	-	-	-
Implicit rate subsidy contribution	-	-	-	74,484	-	74,484
Participant rollovers	-	-	-	-	21,673	21,673
Member contributions	29,902	333	21,955	-	283,818	336,008
Total contributions	368,869	59,833	227,388	691,122	309,883	1,657,095
Investment income:						
Net appreciation/ (depreciation) in fair value of investments	(169,255)	(35,344)	(97,896)	(22,591)	(139,054)	(464,140)
Dividend income	56,670	11,441	37,259	5,203	-	110,573
Interest income	9,254	1,715	7,891	161	-	19,021
Less: Investment expenses	47,091	8,910	35,206	1,689	-	92,896
Investment income, net	(150,422)	(31,098)	(87,952)	(18,916)	(139,054)	(427,442)
Other additions: Loan repayments - interest	0	0	0	0	7,529	7,529
Total additions	218,447	28,735	139,436	672,206	178,358	1,237,182
DEDUCTIONS:						
Benefit payments and withdrawals	242,149	159,565	213,827	616,638	-	1,232,179
Implicit rate subsidy payments	-	-	-	74,484	-	74,484
Transfer to other plans	200	-	-	-	93,187	93,387
Distribution to participants	-	-	-	-	87,379	87,379
Administrative expenses	3,152	1,180	196	56	721	5,305
Other deductions	-	-	-	-	5,410	5,410
Total deductions	245,501	160,745	214,023	691,178	186,697	1,498,144
Net increase (decrease) in fiduciary net position	(27,054)	(132,010)	(74,587)	(18,972)	(8,339)	(260,962)
NET POSITION:						
Restricted for Benefits:						
Beginning of year	4,051,534	951,327	2,918,989	370,352	3,766,970	12,059,172
End of year	$ 4,024,480	$ 819,317	$ 2,844,402	$ 351,380	$ 3,758,631	$ 11,798,210

See Independent Auditors' Review Report and notes to the consolidated interim financial statements.

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SUPPLEMENTARY INFORMATION

SCHEDULE OF CONSOLIDATED RECONCILIATION BETWEEN FINANCIAL PLAN AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2020
($ in millions)

Category	Financial Plan Actual	Statement GAAP Actual	Variance
REVENUE:			
Farebox revenue	$ 2,004	$ 2,004	$ -
Vehicle toll revenue	1,191	1,190	(1)
Other operating revenue	4,430	344	(4,086)
Total revenue	7,625	3,538	(4,087)
OPERATING EXPENSES:			
Labor:			
Payroll	3,972	3,987	15
Overtime	658	664	6
Health and welfare	977	977	-
Pensions	1,131	1,168	37
Other fringe benefits	719	719	-
Postemployment benefits	537	501	(36)
Reimbursable overhead	(271)	(287)	(16)
Total labor expenses	7,723	7,729	6
Non-labor:			
Electric power	295	293	(2)
Fuel	85	86	1
Insurance	5	4	(1)
Claims	316	316	-
Paratransit service contracts	243	243	-
Maintenance and other operating contracts	533	507	(26)
Professional service contract	355	335	(20)
Pollution remediation project costs	4	4	-
Materials and supplies	403	403	-
Other business expenses	116	114	(2)
Total non-labor expenses	2,355	2,305	(50)
Depreciation	2,226	2,226	-
Other Expenses Adjustment	63	-	(63)
Total operating expenses	12,367	12,260	(107)
NET OPERATING LOSS	$ (4,742)	$ (8,722)	$ (3,980)

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SUPPLEMENTARY INFORMATION

SCHEDULE OF CONSOLIDATED SUBSIDY ACCRUAL RECONCILIATION BETWEEN FINANCIAL PLAN AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2020
($ in millions)

Accrued Subsidies	Financial Plan Actual	Financial Statement GAAP Actual	Variance	
Mass transportation operating assistance	$ 2,144	$ 2,143	$ (1)	{1}
Mass transit trust fund subsidies	349	414	65	{1}
Mortgage recording tax 1 and 2	323	324	1	{1}
MRT transfer	-	(4)	(4)	{1}
Urban tax	258	258	-	{1}
State and local operating assistance	217	395	178	{1}
Station maintenance	130	130	-	{1}
Connecticut Department of Transportation (CDOT)	184	184	-	{1}
Subsidy from New York City for MTA Bus and SIRTOA	172	347	175	{1}
Build American Bonds Subsidy	-	47	47	{1}
Mobility tax	1,280	1,400	120	{1}
Assistance Fund (For hire vehicle)	182	156	(26)	{1}
Real Property Transfer Tax Surcharge (Mansion Tax)	126	138	12	{1}
Internet Marketplace Tax	157	148	(9)	{1}
Transfer to Central Business District Capital Lockbox	(283)	-	283	{1}
Other non-operating income	1	84	83	{2}
Federal Transit Administration reimbursement related to CARES Act	-	4,010	4,010	{2}
Total accrued subsidies	**5,240**	**10,174**	**4,934**	
Net operating deficit before subsidies and debt service	(4,742)	(8,722)	(3,980)	
Debt Service	(2,069)	(1,280)	789	
Conversion to Cash basis: Depreciation	2,226	-	(2,226)	
Conversion to Cash basis: GASB 75 OPEB adjustment	59	-	(59)	
Conversion to Cash basis: GASB 68 pension adjustment	(14)	-	14	
Conversion to Cash basis: Pollution & Remediation	4	-	(4)	
Total net operating surplus/(deficit) before appropriations, grants and other receipts restricted for capital projects	**$ 704**	**$ 172**	**$ (532)**	

{1} The Financial Plan records on a cash basis while the Financial Statement records on an accrual basis.
{2} The Financial Plan records do not include other non-operating income or changes in market value.

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SUPPLEMENTARY INFORMATION

SCHEDULE OF FINANCIAL PLAN TO FINANCIAL STATEMENTS RECONCILIATION
RECONCILING ITEMS
FOR THE PERIOD ENDED SEPTEMBER 30, 2020
($ in millions)

Financial Plan Actual Operating Loss at September 30, 2020			**$ (4,742)**
The Financial Plan Actual Includes:			
1	Higher other operating revenues primarily from CARES Act funding, which is reported in the Financial Statements as non-operating revenues as per GASB guidance.		(4,087)
2	Lower labor expense primarily from lower pension expense projections		(6)
3	Higher non-labor expense primarily from higher maintenance and other operating contracts		50
4	Other expense adjustments		63
Total operating reconciling items			**(3,980)**
Financial Statements Operating Loss at September 30, 2020			**(8,722)**
Financial Plan Surplus after Subsidies and Debt Service			**704**
The Audited Financial Statements Includes:			
1	Debt service bond principal payments		789
2	Adjustments for non-cash liabilities:		
	Depreciation	(2,226)	
	Unfunded OPEB expense	(59)	
	Unfunded GASB No. 68 pension adjustment	14	
	Other non-cash liability adjustment	(4)	(2,275)
The Financial Statement includes:			
3	Higher subsidies and other non-operating revenues and expenses, which includes CARES Act funding		4,934
4	Total operating reconciling items (from above)		(3,980)
Financial Statement Gain Before Capital Appropriations			**$ 172**